

# **Exhibit B**

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 SECURITIES AND EXCHANGE §  
4 COMMISSION, §  
5 § CIVIL ACTION  
6 PLAINTIFF, § NO. 20-CV-1(AT) (SN)  
7 §  
8 AGAINST §  
9 §  
10 §  
11 RIPPLE LABS, INC., §  
12 BRADLEY GARLINGHOUSE, §  
13 AND CHRISTIAN A. §  
14 LARSEN, §  
15 §  
16 DEFENDANTS. §

17  
18 \*\*HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY\*\*  
19

20 ORAL AND VIDEOTAPED DEPOSITION OF  
21 [REDACTED]  
22 FEBRUARY 16, 2022  
23

24 ORAL AND VIDEOTAPED DEPOSITION OF [REDACTED],  
25 produced as a witness at the instance of the  
Defendant and duly sworn, was taken in the above  
styled and numbered cause on Wednesday,  
February 16, 2022, from 9:23 a.m. to 6:56 p.m.,  
before TAMARA CHAPMAN, CSR, RPR-CRR in and for the  
State of Texas, reported by computerized stenotype  
machine, at the offices of King & Spalding, LLP, 500  
West 2nd Street, Austin, Texas, pursuant to the  
Federal Rules of Civil Procedure and any provisions  
stated on the record herein.

26 Job No. 206109

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Expert Report of [REDACTED]  
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Appendix A, Curriculum Vitae of

[REDACTED]  
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Amended Expert Rebuttal Report of

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1 [REDACTED] - 2/16/2022

2 THE VIDEOGRAPHER: This is the start  
3 of media labeled No. 1 of the video-recorded  
4 deposition of [REDACTED], in the matter of  
5 Securities and Exchange Commission vs. Ripple Labs,  
6 Inc., et al., in the U.S. Southern District Court of  
7 New York, No. 20-CV-1.

8 This deposition is being held at  
9 King & Spalding, LLP, 500 West 2nd Street, Austin,  
10 Texas, on February 16, 2022, at approximately  
11 9:23 a.m. My name is Casey Mummert. I am the legal  
12 video specialist from TSG Reporting, Inc.,  
13 headquartered at 228 East 45th Street, Suite 810,  
14 New York, New York, 11017.

15 The court reporter is Tamara Chapman,  
16 in association with TSG Reporting.

17 Counsel, please introduce yourselves.

18 MR. OPPENHEIMER: Good morning. My  
19 name is Bradley Oppenheimer. I'm with Lillian Smith  
20 from Kellogg Hansen on behalf of Ripple.

21 MR. ALDEROTY: Stu Alderoty, general  
22 counsel for Ripple.

23 MR. CERESNEY: Andrew Ceresney and  
24 Matthew Hirsch from Debevoise and Plimpton,  
25 representing Ripple.

1 [REDACTED] - 2/16/2022

2 MR. SOLOMON: Matthew Solomon from  
3 Cleary Gottlieb, representing Brad Garlinghouse.

4 MS. BUNTING: Kristina Bunting from  
5 Paul, Weiss, Rifkind, Wharton & Garrison on behalf  
6 of Mr. Christian Larsen.

7 MS. WAXMAN: Daphna Waxman with the  
8 SEC representing the plaintiff.

9 MR. SYLVESTER: Mark Sylvester with  
10 the SEC, representing the plaintiff.

11 THE VIDEOGRAPHER: Will the court  
12 reporter please swear in the witness.

13 [REDACTED],  
14 having been first duly sworn, testified as follows:

15 EXAMINATION

16 BY MR. OPPENHEIMER:

17 Q. Good morning. Can you please state your  
18 full name for the record.

19 A. My name is [REDACTED].

20 Q. Mr. [REDACTED] you understand that you're  
21 testifying today under the same oath that you would  
22 take if you were testifying in court before a jury.  
23 Right?

24 A. Yes, I do.

25 Q. Is there any reason you can't give

1 [REDACTED] - 2/16/2022

2 truthful and accurate testimony today?

3 A. No.

4 Q. Have you ever been deposed before?

5 A. No.

6 Q. Just to give you a little overview of how  
7 this will work today, I'll be asking you questions.  
8 I'll ask that you make sure I finish the question  
9 entirely before you start answering, even if you  
10 think you know where it's going. It's important  
11 that we not talk over each other so that the court  
12 reporter can have a clear record at the end.

13 If you need a break at any time, feel  
14 free to ask. I'll ask that you finish the question  
15 that's pending, but we can take a break any time you  
16 need.

17 Mr. [REDACTED], you submitted an expert report  
18 and a rebuttal report in connection with this case.

19 Right?

20 A. Yes.

21 Q. Your October 4th expert report contains  
22 all of the affirmative opinions that you intend to  
23 offer in the case. Is that right?

24 A. I offered opinions in both reports.

25 Q. Right. So I'm distinguishing here



1 [REDACTED] - 2/16/2022

2 between your own opinions and your rebuttal opinions  
3 responding to other experts.

4 In terms of your own opinions that you  
5 are affirmatively offering, those are all in your  
6 October 4th report. Correct?

7 A. Yes.

8 MR. SYLVESTER: Object to form. Just  
9 give me a moment to object, please.

10 THE WITNESS: Sorry.

11 Q. And your November 16th, 2021, amended  
12 rebuttal report contains all of the rebuttal  
13 opinions that you intend to offer in response to  
14 Ripple's experts in this case. Correct?

15 A. Yes.

16 Q. I'm going to mark as Exhibit [REDACTED] 1 a  
17 copy of your opening expert report.

18 (Exhibit 1 was marked.)

19 Q. Mr. [REDACTED] you recognize Exhibit 1 as a  
20 copy of your expert report in this case?

21 A. I do.

22 Q. I'd like you to look at Page 4, please,  
23 and Paragraph 4.

24 MR. SYLVESTER: Before we proceed,  
25 were there appendices attached to your expert report

1 [REDACTED] - 2/16/2022

2 that are not with this exhibit?

3 MR. OPPENHEIMER: The report did have  
4 appendices. The SEC served them in separate  
5 documents. They weren't attached.

6 MR. SYLVESTER: Okay. Go ahead.

7 MR. OPPENHEIMER: We've got copies if  
8 you need to refer to them at any time. I will be  
9 introducing them at some point. But if you need  
10 them, feel free to let me know.

11 Q. Looking at Page 4, Paragraph 4 of your  
12 report, the last full sentence on the page says: In  
13 addition to my experience in digital asset  
14 investments, I have 19 years of experience  
15 evaluating and investing in companies, public  
16 equities, commodities, real estate, bonds,  
17 currencies, and derivatives of those asset classes.

18 Do you see that?

19 A. Yes.

20 Q. How old are you?

21 A. 37.

22 Q. So 19 years ago you would have been about  
23 18?

24 A. That's right.

25 Q. When you were 18 how much money did you

1 [REDACTED] - 2/16/2022

2 have invested in public equities?

3 A. I can't remember an exact number.

4 Q. [REDACTED]

5 A. [REDACTED]

7 Q. [REDACTED]

8 MR. SYLVESTER: Objection to form.

9 Go ahead.

10 A. [REDACTED]

16 [REDACTED]

19 Q. And my question is when you started  
20 investing. You say you have 19 years of experience  
21 that started when you were age 18. So when you  
22 first started investing, how much money  
23 approximately did you have under investment?

24 A. I don't --

25 MR. SYLVESTER: Object to form.

1 [REDACTED] - 2/16/2022

2 Just wait for me to object, please.

3 Okay. Go ahead.

4 A. I don't remember.

5 Q. How much money did you invest in  
6 commodities when you were 18?

7 A. I don't specifically remember.

8 Q. How about real estate?

9 MR. SYLVESTER: Object to form.

10 Go ahead.

11 A. Real estate, when I was 18 I hadn't  
12 started investing in, you know, (unintelligible)  
13 properties yet, but in terms of public listed real  
14 estate there was some amount, but, again, I can't  
15 remember.

16 Q. Do you remember how much you had invested  
17 in bonds when you were 18?

18 A. I can't remember.

19 Q. How about currencies?

20 MR. SYLVESTER: Object to form.

21 Go ahead.

22 A. I can't remember.

23 Q. How about derivatives?

24 MR. SYLVESTER: Object to form.

25 A. I can't remember.

1 [REDACTED] - 2/16/2022

2 Q. When you were 18 that was roughly the  
3 time you were a freshman in college. Is that right?

4 A. I guess freshman and sophomore, yeah.

5 Q. How much time did you spend working on  
6 investing in companies, public equities,  
7 commodities, real estate, bonds, currencies, and  
8 derivatives of those asset classes while you were in  
9 college?

10 A. I can't specifically remember how much  
11 time.

12 Q. Do you have an approximation?

13 A. No.

14 Q. Do you think it was more than ten hours a  
15 week?

16 MR. SYLVESTER: Object to form.

17 A. It was a significant amount of time. I  
18 can't remember exactly how much.

19 Q. So you don't remember one way or the  
20 other whether it was more than ten hours a week?

21 MR. SYLVESTER: Object to form.

22 A. I don't specifically remember.

23 Q. Have you ever -- have you ever advised  
24 other people on investing in companies, public  
25 equities, commodities, real estate, bonds,

1 [REDACTED] - 2/16/2022

2 currencies, or derivatives of those asset classes?

3 MR. SYLVESTER: Object to form.

4 What do you mean by "advise"?

5 Q. You can answer.

6 A. Yeah, I ask the same question. I don't  
7 know exactly what you mean by "advise."

8 Q. Do you understand what it means to  
9 provide advice to somebody about assets?

10 A. I think there is probably a legal  
11 definition there of being an investment advisor and,  
12 you know, what that entails, compared to just, say,  
13 you know, casually chatting about investments. And,  
14 you know, advice probably can fit somewhere in that  
15 wide spectrum. So I don't exactly know what you're  
16 specifically asking me about.

17 Q. Have you ever worked as an investment  
18 advisor?

19 A. No.

20 Q. Outside of working as an investment  
21 advisor, have you ever given anyone advice  
22 that -- withdrawn.

23 Outside of working as an investment  
24 advisor, have you ever done what you would consider  
25 giving advice to other people about investments?

1 [REDACTED] - 2/16/2022

2 A. Again, I really don't -- you have to be  
3 more specific. I don't know exactly what actions  
4 you're asking me about.

5 Q. What do you consider to be giving advice  
6 about investments?

7 MR. SYLVESTER: Object to form.

8 A. So as I said earlier, I think that that  
9 word can mean a lot of different things. I know  
10 there is a legal standard and a -- a standard that  
11 revolves around being as a profession giving people,  
12 you know, official investment advice. And that  
13 probably can range all the way through talking with  
14 people about a particular stock or a particular  
15 asset.

16 And, you know, I think that asking about  
17 whether somebody gave advice can, you know, fit  
18 anywhere along that whole spectrum. So I'm not  
19 exactly sure, you know, how to answer based on that.

20 Q. Okay. So if advice can fit anywhere  
21 along that whole spectrum, have you ever given  
22 someone advice about investments anywhere along that  
23 entire spectrum?

24 MR. SYLVESTER: Object to form.

25 A. If you're asking me have I ever spoken to

1 [REDACTED] - 2/16/2022

2 somebody about investing, then, yes, I've spoken to  
3 people about investing.

4 Q. And in more formal context than just  
5 one-off conversations about investing, have you ever  
6 given people advice on that portion of the spectrum  
7 you just defined?

8 MR. SYLVESTER: Object to form.

9 A. I'm sorry. Can you repeat the question?

10 Q. You defined a spectrum of things that you  
11 think advice can mean, ranging from informal  
12 conversations to a very formal legal definition.

13 Is that a fair summary of what you said?

14 A. Yes.

15 Q. So putting aside the informal one-off  
16 conversations that you may have had with people  
17 about investing, have you ever given someone advice  
18 about investments anywhere else along that spectrum?

19 MR. SYLVESTER: Object to the form.

20 A. Yes.

21 Q. And in what sense have you given people  
22 advice?

23 MR. SYLVESTER: Object to the form.

24 Q. In what sense have you given people  
25 advice about investing other than in those informal



1 [REDACTED] - 2/16/2022

2 one-off conversations?

3 MR. SYLVESTER: Object to form.

4 A. For instance, around investment  
5 partnership and at times we've had -- I have a  
6 partner. We have -- have people, you know, work for  
7 us, and certainly in that context, we've had, you  
8 know, in-depth discussions about investments in that  
9 context. So I've certainly given people advice that  
10 are people I work with and people I partnered with.

11 Q. Did you ever give investment advice,  
12 other than in those informal conversations you  
13 described, prior to starting your investment  
14 partnership?

15 MR. SYLVESTER: Object to the form.

16 A. I've also run other businesses and part  
17 of those -- the function of those businesses even  
18 though the main, you know, function of the business  
19 was not as investment partnership, those businesses  
20 had to make investing decisions. And so in those  
21 contexts as well, I gave, you know, advice to  
22 employees, partners, as well as had discussions  
23 with, you know, venture capital funds, people who  
24 were involved in the business in various ways.

25 Q. Which other businesses have you run that

1 [REDACTED] - 2/16/2022

2 have made decisions whether to invest in companies,  
3 public equities, commodities, real estate bonds,  
4 currencies, or derivatives of those assets?

5 A. I have -- I have started and run a  
6 variety of companies. Some are, you know, ranging  
7 from single-member LLCs to a tech startup and, you  
8 know, in addition, you know, I would say I helped  
9 run companies that I wasn't the founder and primary  
10 owner on as well. So that -- that covers a lot of  
11 different organizations.

12 Q. And in each of those companies that you  
13 described, were those businesses -- did those  
14 businesses have to make decisions whether to invest  
15 in companies, public equities, commodities, real  
16 estate bonds, or derivatives of those assets?

17 MR. SYLVESTER: Object to the form.

18 A. I'd have to review on a case-by-case  
19 basis for each company. Certainly, many of those  
20 companies would have been involved in either some  
21 subset of those, if not all of those.

22 Q. Can you name all of the companies that  
23 you've started and run?

24 A. Probably not. I could think about it and  
25 I'd probably miss one.

1 [REDACTED] - 2/16/2022

2 Q. Sitting here today, can you name as many  
3 of the companies that you've started and run as you  
4 can remember?

5 A. Sure. There have been a couple of  
6 companies that were sole proprietorships so they  
7 weren't separate, legal entities. The ones that  
8 were separate legal entities, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

12 Let me think. I think that's it off the  
13 top of my head.

14 Q. What were the sole proprietorships that  
15 you started?

16 A. They ranged from, you know,  
17 landscaping-type businesses to just doing consulting  
18 work. I've done consulting work for private equity  
19 firms, venture capital firms.

20 THE STENOGRAPHER: Just a second.  
21 What firms?

22 THE WITNESS: Private equity firms.  
23 (Reporter admonishment.)

24 Q. What was the nature of the consulting  
25 work you did?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 A. I -- it depends. I've been asked to  
4 consult on a -- such a wide variety of -- of topics.

5 Q. Who are your clients who hire you as a  
6 consultant?

7 A. There are dozens.

8 Q. Name as many as you can, sitting here  
9 today, that you remember.

10 MR. SYLVESTER: Object to form.

11 Go ahead.

12 A. Let's see. I consulted for [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] Let me think. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

20 Let me think. [REDACTED]

21 I'm sure there are others. I can't think  
22 of all of them.

23 Q. Okay. Thank you.

24 Is it fair to say that for all of the  
25 government agencies you just named as clients, you

1 [REDACTED] - 2/16/2022

2 were not advising them on evaluating potential  
3 investment opportunities?

4 A. At times, I was advising about things  
5 that were investments, but I think what you're  
6 asking is was I advising them whether they should  
7 purchase assets. Is that what you're asking about?

8 Q. The question is, were you providing  
9 advice to government agencies about evaluating  
10 potential investment opportunities?

11 MR. SYLVESTER: Object to form.

12 A. I'm not -- I -- I think I would ask the  
13 same question I just asked. I'm not exactly sure  
14 what you're getting at. I think you might be asking  
15 if I am -- if I was advising them whether they  
16 should be purchasing assets. Is that -- is that  
17 your question?

18 Q. Why don't we start with that. You  
19 weren't advising those government agencies whether  
20 they should be purchasing assets, were you?

21 A. Actually, I probably should have worded  
22 that a different way because assets has a broader  
23 meaning than just for the purposes of an investment  
24 and so -- I was at times advising the government on  
25 whether they should purchase some assets, yes.

1 [REDACTED] - 2/16/2022

2 Q. What types of assets?

3 A. Usually, it revolved around technology.  
4 That might be intellectual property. It might be a  
5 purchase of hardware, a purchase of software,  
6 something along those lines.

7 Q. You weren't -- you were not advising  
8 those government agencies about whether they should  
9 make financial investments in any financial  
10 instruments, were you?

11 MR. SYLVESTER: Object to the form.

12 A. When you say "make financial  
13 investments," I would say at times it was advising  
14 them about making a financial investment, yeah.

15 Q. Which financial instruments did you  
16 advise government agencies to invest in?

17 MR. SYLVESTER: Object to the form.

18 A. I think I have to -- by "financial  
19 instrument," are you limiting that to say an  
20 investment in a -- you know, I'm not sure exactly  
21 what you mean by "financial instrument." I listed  
22 some of the things that I advised them -- type of  
23 assets that I advised them on. If that's a good,  
24 you know, indication for you, type of -- you know,  
25 the ways that I would have consulted on them whether

1 [REDACTED] - 2/16/2022

2 to make a purchase of something or not.

3 Q. So you were generally consulting  
4 on -- well, withdrawn.

5 With respect to consulting about what  
6 assets these government agencies should consider  
7 purchasing, you were generally consulting on  
8 technology or intellectual property that they were  
9 considering acquiring. Is that right?

10 MR. SYLVESTER: Object to the form.

11 A. I was consulting on, among many other  
12 things, whether they should make an investment in a  
13 particular intellectual property or technology, yes,  
14 but I think that the term -- well, the type of  
15 advice I gave obviously went beyond that scope.  
16 But, yes, I advised them on whether to purchase  
17 intellectual property or technology at times, yes.

18 Q. What did [REDACTED] do?

19 A. The business model of [REDACTED]  
20 was to finance and -- well, purchase solar energy  
21 systems and then do a -- you know, a leaseback. So  
22 we would purchase and install solar hot water  
23 heaters and solar PV systems on commercial  
24 properties, own the systems, and then usually be --  
25 well, the goal would be to have an agreement on, you

1 [REDACTED] - 2/16/2022

2 know, selling the energy from that system back to  
3 the -- the customer or arranging a lease  
4 relationship with them.

5 Q. When did you start that company?

6 A. It's been a long time. I can't remember  
7 exactly the year. It would have been about maybe  
8 2007.

9 Q. Does that company still exist?

10 A. No.

11 Q. When did it disband?

12 A. I can't remember exactly, but it probably  
13 would have been around -- in the, you know, late  
14 2000s. Probably 2009 or something, 2010. I don't  
15 know.

16 Q. Why did it disband?

17 A. I moved on to pursuing other  
18 opportunities.

19 Q. Were you the sole owner of that LLC?

20 A. Yes.

21 Q. Did it have any other employees?

22 A. No.

23 Q. You also mentioned a company -- I didn't  
24 fully catch the name -- it started with [REDACTED]

25 A. Yeah.



1 [REDACTED] - 2/16/2022

2 Q. What was that company name?

3 A. Actually, realizing after I said that, I  
4 think that -- I'm not sure that company was -- it  
5 was related to the same space so I mentioned that  
6 part of it was leasebacks and part of it was selling  
7 energy. They're both sort of working in that  
8 same -- that same area. They're both energy-related  
9 companies. And, yeah, they -- they were separate  
10 but related entities.

11 Q. What was the name of the company that  
12 started with [REDACTED]

13 A. [REDACTED].

14 Q. Is [REDACTED] active  
15 today?

16 A. No.

17 Q. Did it disband around the same time?

18 A. Yeah, around the same time.

19 Q. And why did it disband at that time?

20 A. The same reason.

21 Q. When did you found [REDACTED]?

22 A. [REDACTED] was founded in 2020.

23 Q. And is it still active today?

24 A. Yes.

25 Q. What does [REDACTED] do?

1 [REDACTED] - 2/16/2022

2 A. It makes investments in the real estate  
3 space, owns and operates real estate properties.

4 Q. Approximately how many hours a week do  
5 you spend working on [REDACTED]?

6 A. It varies greatly from week to week.

7 Q. What's the range that you've experienced?

8 A. Probably ranges anywhere from -- you  
9 know, I've had -- I've had probably weeks where it  
10 was five hours a week. I've had weeks where it  
11 probably got as high as, you know, 20 hours.

12 Q. Does [REDACTED] have any other  
13 employees?

14 A. No.

15 Q. I'm going to mark as [REDACTED] -- Exhibit  
16 [REDACTED] 2 a copy of your CV. It was attached as  
17 Exhibit A to your report.

18 (Exhibit 2 was marked.)

19 Q. Mr. [REDACTED] do you recognize Exhibit 2 as  
20 a copy of your CV?

21 A. Yes.

22 Q. Your CV does not list any of those sole  
23 proprietorships that you just discussed, does it?

24 A. That's correct.

25 MR. SYLVESTER: Object to form.

1 [REDACTED] - 2/16/2022

2 Q. It doesn't list [REDACTED], does  
3 it?

4 A. It does not.

5 Q. It doesn't list [REDACTED]  
6 [REDACTED] does it?

7 A. It does not.

8 Q. It doesn't list [REDACTED], does  
9 it?

10 A. It does not.

11 Q. Why didn't you list those things on your  
12 CV?

13 MR. SYLVESTER: Object to form.

14 A. This is a timeline of kind of the main --  
15 the jobs I had that basically consumes the, you  
16 know, majority of my time and that I was focused on.  
17 I had -- you know, I had many, many investments that  
18 don't show up here. I certainly didn't list every  
19 investment that I ever made on here or everything I  
20 spent my time on on here. I think the purpose of a  
21 CV is to highlight the key things that I was  
22 involved with backwards through time.

23 Q. And you didn't consider those other  
24 businesses to be the key things that you were  
25 involved with at the time they were running. Is

1 [REDACTED] - 2/16/2022

2 that fair?

3 A. Typically, I was doing that while -- as  
4 you can see, this list -- if I'm not mistaken, it  
5 covers the entire timeline going back through  
6 September 2010 through present day without any gaps,  
7 so yeah, I think it's fair to say that these were  
8 the things that I was spending the majority of my  
9 time on each step along the way. This lists a  
10 single, you know, job at any given point in time.

11 Q. Where did you get the money that you used  
12 to start investing when you were 18?

13 A. Some of it was through the -- some of the  
14 sole proprietorships I mentioned. I had, you know,  
15 made money working jobs, working summer jobs. And  
16 besides summer jobs, I, you know, had a -- like I  
17 said, I had kind of a landscaping business that I  
18 made money on. And I also had some money from  
19 Social Security.

20 Q. Any other sources?

21 A. No.

22 Q. Do you have any formal training in  
23 evaluating investment opportunities?

24 A. What would you mean by "formal training"?

25 Q. Have you ever taken any courses on it?

1 [REDACTED] - 2/16/2022

2 A. Yes.

3 Q. What courses have you taken on evaluating  
4 investment opportunities?

5 A. I'm not going to be able to remember all  
6 of them, but I've taken a wide range of courses  
7 related to business accounting, management  
8 accounting, economics, and if you're just limiting  
9 that to kind of courses in college, I think that  
10 would probably be the gist of it.

11 Q. I'm not limiting it to courses in  
12 college. I'm asking any courses you have ever taken  
13 on evaluating investment opportunities, so let me  
14 ask this: Have you taken any courses on evaluating  
15 investment opportunities outside of college?

16 A. I think I have. I can't specifically  
17 remember, like, names of them. I've taken a lot of  
18 courses that were -- over the years that were, you  
19 know, from -- that were online courses that were  
20 basically from college courses or graduate school  
21 courses that were recorded, and I, you know, watched  
22 the lectures and things like that, yeah.

23 Q. So you took courses in college on topics  
24 like business accounting, management accounting, and  
25 economics. You've taken online courses that were

1 [REDACTED] - 2/16/2022

2 college or graduate school courses on similar  
3 topics. Any other courses that you have taken on  
4 evaluating investment opportunities?

5 MR. SYLVESTER: Object to form.

6 A. Nothing that I can specifically remember.  
7 I mean, I know that over the years I've taken lots  
8 of opportunities to learn anything I can whenever I  
9 can, and that takes a lot of different forms,  
10 whether that's reading papers, reading blog posts,  
11 attending conferences, things like that. But I  
12 can't specifically remember anything by name, no.

13 Q. Have you ever taught courses on  
14 evaluating investment opportunities?

15 A. No.

16 Q. Do you have a degree in business  
17 accounting?

18 A. No, I do not.

19 Q. What about management accounting?

20 A. No.

21 Q. What about economics?

22 A. No.

23 Q. What about finance?

24 A. No.

25 Q. Do you have any degrees that aren't

1 [REDACTED] - 2/16/2022

2 listed on your CV?

3 A. All of the degrees I've earned are listed  
4 on my CV.

5 Q. Has your strategy for evaluating  
6 investment opportunities changed at all over the 19  
7 years that you've been investing in companies,  
8 public equities, commodities, real estate, bonds,  
9 currencies, and derivatives?

10 MR. SYLVESTER: Object to form.

11 A. I have developed many strategies over  
12 that time period, many different strategies. So to  
13 the extent that at various points in time I was  
14 developing or pursuing one strategy, at another  
15 point in time I was developing and pursuing another  
16 strategy, at times it was for different strategies.

17 Q. So you don't always use the same  
18 investment strategies when you're evaluating  
19 potential investment opportunities of your own. Is  
20 that right?

21 MR. SYLVESTER: Object to form.

22 A. I'm not sure I understand the way you put  
23 that. I don't always use the same strategies. I  
24 use different strategies.

25 Q. In evaluating different investment

1 [REDACTED] - 2/16/2022

2 strategies -- or withdrawn.

3 In evaluating different investment  
4 opportunities over the course of your experience,  
5 you have applied different strategies at different  
6 times. Is that right?

7 A. Well, for instance, you mentioned certain  
8 types of assets that didn't even exist when I was,  
9 you know, developing certain investing strategies,  
10 so digital assets in particular. You know, digital  
11 assets really weren't an asset class at the  
12 beginning.

13 Q. So that's a yes, in evaluating different  
14 investment opportunities over the course of your  
15 experience, you've applied different strategies at  
16 different times?

17 MR. SYLVESTER: Object to form.

18 A. I think I've developed a wide range of  
19 investment strategies over time.

20 Q. I want to point you back to Exhibit 1,  
21 Paragraph 4, Page 4, the same place we were. The  
22 same paragraph a couple of sentences back says: In  
23 addition to analyzing hundreds of companies,  
24 project (sic), coins, and tokens in the digital  
25 asset space, I have developed and executed



1 [REDACTED] - 2/16/2022

2 successful cryptocurrency arbitrage strategies.

3 Do you see that?

4 A. Yes.

5 Q. When did you first begin conducting  
6 analyses of companies, projects, coins, and tokens  
7 in the digital asset space?

8 A. Probably -- I'm not sure I can pin it  
9 down exactly. I'm trying to put myself in the --  
10 in -- my mind in the mid-2010 somewhere, so I'm  
11 going to say probably early 2015.

12 Q. And which digital assets did you  
13 initially evaluate when you began looking into that  
14 field in approximately early 2015?

15 MR. SYLVESTER: Object to form.

16 A. I'm not going to be able to specifically  
17 remember a list, but certainly in the early phases  
18 of the digital asset space, you know, a lot of the  
19 platforms were limited in terms of what assets they  
20 offered, and so it was, you know, generally limited  
21 to the assets that were available at the time, both  
22 available to trade, and that existed at that time.

23 Q. Do you remember any of the digital assets  
24 that you evaluated at that time?

25 MR. SYLVESTER: Object to form.

1 [REDACTED] - 2/16/2022

2 A. Yes.

3 Q. Which ones do you remember?

4 A. [REDACTED]

5 Q. Any others that you remember?

6 A. Well, we'd have go back through year by  
7 year and refresh my memory about the timeline. I  
8 just know that's probably the first one that I, you  
9 know, looked at seriously.

10 Q. Did you decide to buy [REDACTED] in  
11 approximately early 2015?

12 A. Yes.

13 Q. Why?

14 MR. SYLVESTER: Object to form.

15 Q. Let me ask a more precise question. Why  
16 did you decide to buy [REDACTED] in approximately early  
17 2015?

18 A. I thought it would offer an attractive  
19 risk/reward profile.

20 Q. And what factors led you to believe that?

21 A. Sitting here right now, I can't put  
22 myself in the mind of myself in 2015 to remember all  
23 of the things that I considered at that time.

24 Q. How did you make your purchase of [REDACTED]  
25 the first time you bought it?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 A. It would have been on a digital asset  
4 trading platform.

5 Q. Do you recall which one?

6 A. I can generally remember the platforms  
7 that I used. I can't remember which would have been  
8 the first or exactly when that would have taken  
9 place.

10 Q. Can you tell me which platforms you  
11 generally used in the early years in which you were  
12 investing in digital assets, let's call it roughly  
13 early 2015 and a year or so after?

14 A. Sure. I think the platforms I used in  
15 the early phase would have been Coinbase, Coinbase  
16 Pro, which at the time was called GDAX, Kraken,  
17 Matrix, futures platforms, such as BitMEX and  
18 Deribit. Let me think. The -- I know I had  
19 accounts on many others. I just can't remember all  
20 of them for that specific phase.

21 Q. Looking back to that sentence we just  
22 read in your report that says: I have developed and  
23 executed successful cryptocurrency arbitrage  
24 strategies.

25 What successful cryptocurrency arbitrage

1 [REDACTED] - 2/16/2022

2 strategies have you developed and executed?

3 A. I don't know how to answer that question,  
4 what were -- what strategies? Like, there's not  
5 really a name of them. I just -- I developed, you  
6 know, algorithmic trading strategies that use  
7 software to trade across a variety of venues,  
8 spotlight markets, futures markets, across  
9 different -- different platforms in different ways.  
10 The specifics of the -- how the trading strategies  
11 worked are -- are -- you know, I can't really  
12 describe those by, you know, classifying the  
13 strategy with a name. It's complex.

14 Q. What factors did the algorithms that you  
15 developed consider in determining when to trade  
16 digital assets?

17 MR. SYLVESTER: Object to form.

18 A. They considered many factors. The  
19 algorithms pulled data in from a variety of sources  
20 and, you know, considered lots of different -- they  
21 considered lots of different things.

22 Q. What things did they consider?

23 MR. SYLVESTER: Object to form.

24 A. Sitting here right now, I'm not going to  
25 be able to tell you everything they considered.

1 [REDACTED] - 2/16/2022

2 Partly because, you know, you're trying to get me to  
3 place this in a specific point in time and it's been  
4 a while. I don't have the code in front of me. If  
5 I -- I -- you know, if I could review the code, I  
6 could tell you.

7 But -- but also, you know, in general,  
8 the specifics of the strategies, you know, I can  
9 tell you at a high level that I worked on arbitrage  
10 strategies, but that's the intellectual property of  
11 this company, and I'm under an NDA not to disclose,  
12 you know, specifics of that to you.

13 Q. Which company owns that intellectual  
14 property?

15 A. [REDACTED].

16 Q. And so you say you have a NDA with [REDACTED]  
17 [REDACTED] that prohibits you from disclosing the  
18 specifics of those strategies?

19 A. That's right.

20 MR. SYLVESTER: Object to form.

21 Q. When did you sign that NDA?

22 A. I've signed a variety of agreements with  
23 [REDACTED] going back through the founding of it. So  
24 there's not a single, you know -- there's not a, you  
25 know, single time that I can remember.

1 [REDACTED] - 2/16/2022

2 Q. Who signed on behalf of [REDACTED]?

3 A. I don't have the document in front of me  
4 so I'd need to see.

5 Q. At a high level, what factors did your  
6 arbitrage algorithms consider in making trading  
7 decisions?

8 MR. SYLVESTER: Object to form.

9 A. One key factor would be the price of an  
10 asset.

11 Q. Any others that you remember sitting here  
12 today?

13 A. Well, like I said, there were a lot of  
14 factors. Some of those are, you know, unique to the  
15 system that [REDACTED] developed and, therefore, some  
16 of those I can't discuss at length.

17 But, you know, generally, in an arbitrage  
18 strategy you're trying to take advantage of price  
19 differences between one venue and another venue or,  
20 you know, things -- that would kind of be a spot  
21 arbitrage strategy. And also, you know, [REDACTED]  
22 was heavily involved with spot-to-futures arbitrage,  
23 so that would mean, you know, buying in a spot  
24 market in one place and, for instance, selling an  
25 asset on the futures market on another venue

1 [REDACTED] - 2/16/2022

2 typically at a premium.

3 And, you know, there are many different  
4 ways that can play out. There -- some futures  
5 contracts that have an expiration date so you're  
6 considering the premium and the amount of time it  
7 takes for that futures to expire. And other times,  
8 there's a perpetual contract, there might not be a  
9 premium or significant premium at the time, but  
10 you're expecting to collect, you know, a funding  
11 payment.

12 You know, I mentioned BitMEX as a venue  
13 so most futures markets took the lead from BitMEX so  
14 that funding payment would kind of occur every eight  
15 hours. And so this is kind of, again, high level,  
16 just as an example, you might -- there might be  
17 enough, you know, interest in buying a particular  
18 asset with leverage that you expect to receive a  
19 funding rate continuously over time against your --  
20 your spot position which is a hedge against that  
21 futures position. So you'd hope to kind of cancel  
22 out the price risk of an asset going up or down  
23 while collecting the funding rating over time.

24 Q. Were there any particular digital assets  
25 that you or [REDACTED] applied those arbitrage

1 [REDACTED] - 2/16/2022

2 strategies to?

3 MR. SYLVESTER: Object to form.

4 A. There were many digital assets that were  
5 involved in that arbitrage -- in those arbitrage  
6 strategies, generally.

7 Q. How did you select which digital assets  
8 would be the focus of those arbitrage strategies?

9 A. Partly, it relied on the availability of  
10 trading those assets on the exchanges we had  
11 accounts. Probably relied upon the liquidity  
12 available on various platforms.

13 Again, the arbitrage strategies are  
14 different for different -- for, you know, spot  
15 arbitrage versus the so-called, you know,  
16 cash-and-carry arbitrage spot versus futures. So in  
17 that situation, it would also depend on the  
18 liquidity and availability of futures contracts  
19 available on different futures exchanges.

20 Also, the availability and liquidity of  
21 different derivatives besides the, you know, fixed  
22 and perpetual futures contract that I mentioned, you  
23 know, there's also options contracts that are  
24 available on different platforms.

25 So the availability and kind of liquidity



1 [REDACTED] - 2/16/2022

2 and how deep the order book was on all of those  
3 platforms for each of those products was certainly a  
4 factor.

5           The other piece was just the  
6 determination of my algorithms themselves about  
7 whether it would be profitable to trade with a given  
8 digital asset. So based on that, you know, out of  
9 the universe of assets that were available to trade  
10 at various times, you know, some of them wouldn't be  
11 involved in the strategy and some would and it just  
12 kind of depends on the determination of the  
13 profitability of those digital assets with respect  
14 to the arbitrage strategy.

15       Q.     So the way you chose digital assets to be  
16 the focus of those arbitrage strategies was by  
17 considering the reliability of the exchanges where  
18 the digital assets were listed, the liquidity and  
19 availability of digital assets or futures for them,  
20 and then the algorithm's determination of whether it  
21 was likely to be profitable to trade that digital  
22 asset. Is that right?

23       A.     I didn't say the reliability of  
24 exchanges.

25       Q.     I think the transcript did have that, but

1 [REDACTED] - 2/16/2022

2 what -- can you tell me, again, then, what  
3 reliability point was that you were referring to?

4 A. I'd have to see that section, but I might  
5 have said "availability." I think that -- that may  
6 have been what I was saying. I don't know. Have to  
7 go back and see.

8 Q. Well, let me --

9 A. That's generally talking about the  
10 availability of assets being on a particular trading  
11 platform or not. And so one trading platform might  
12 have some subset of assets that are available to  
13 trade and other trading platform might have a  
14 different subset of assets available to trade.  
15 There might be some overlap between those.

16 If you -- if you look together at all of  
17 the different trading platforms that we had, you  
18 know, accounts, at any given moment, the  
19 profitability and availability of assets on each of  
20 those would determine whether it was profitable to  
21 engage in an arbitrage strategy with that particular  
22 set of assets and that particular set of platforms.

23 And, again, that is a different  
24 consideration if you're talking about spot arbitrage  
25 versus futures arbitrage or, you know,

1 [REDACTED] - 2/16/2022

2 cash-and-carry strategies; wherein, that case,  
3 you're also considering the availability and  
4 liquidity of assets not just on the spot markets but  
5 also on the futures markets.

6 And I should add, you know, in an  
7 arbitrage strategy, one of the factors that comes  
8 into play is if the price is higher on one location  
9 and lower on another, you typically have digital  
10 assets flowing in one direction. And where, you  
11 know, basically assets are flowing to the -- the  
12 venue where the price is the highest. So one  
13 digital asset might flow into one venue and another  
14 type of digital asset might flow into another venue;  
15 and so you also have to consider whether you're set  
16 up from a technology standpoint or software  
17 standpoint at that point in time to transfer the  
18 digital assets kind of on the blockchain to even out  
19 those flows over time and replenish your supply of  
20 assets on each platform.

21 So when I talk about the availability of  
22 assets, I'm really talking about a lot of different  
23 things, but it includes whether those things are  
24 tradeable and whether I can actually transfer assets  
25 from -- from one account to another given all the

1 [REDACTED] - 2/16/2022

2 different permutations and combinations of trades  
3 that you need to make as well as transfers of -- of  
4 assets that you need to make.

5 Q. So in general terms, the way you chose  
6 digital assets to be the focus of those arbitrage  
7 strategies was by considering liquidity of the  
8 digital assets, availability of the digital assets,  
9 including technological considerations about their  
10 blockchains, and the likelihood that trades would be  
11 profitable for those digital assets. Is that right?

12 MR. SYLVESTER: Object to form.

13 A. I'd say it's much more complicated than  
14 that, but, in part, that's some piece of the  
15 considerations that I would make.

16 Q. What were the other major factors that  
17 you considered?

18 A. The -- you would have to consider a lot  
19 of different risks, so I've kind of mostly here  
20 described price risk and the availability to trade.

21 But other risks include, you know,  
22 whether you think that a blockchain is, you know,  
23 dependable in the standpoint that you can feel  
24 comfortable holding your assets. This -- this  
25 varies from strategy to strategy because at times

1 [REDACTED] - 2/16/2022

2 you might be holding an asset for a small period of  
3 time, sometimes it's longer while the arbitrage  
4 resolves itself. So in the meantime although you --  
5 with an arbitrage strategy, specifically you're  
6 trying to cancel out the price risk of the price  
7 moving.

8 There are other risks that you take while  
9 you're holding the asset. If the blockchain sort of  
10 fails to function then, you know, if the -- if  
11 the -- you know, if the liveliness of a blockchain  
12 disappears, then you have problems there. So there  
13 are other kind of, you know, technological  
14 considerations and there's just a variety of risk  
15 factors that need to be evaluated, whether it's a  
16 good risk/reward to hold assets in the form of a  
17 particular digital asset in a given moment.

18 Q. Are there any other factors that you  
19 considered in deciding which digital assets would be  
20 the focus of your arbitrage strategies?

21 A. There are a lot of other factors.  
22 Probably sitting right here, I can't remember and  
23 recount every single one of them for you. But, you  
24 know, these strategies were developed over a very  
25 long period of time, with a lot of thought and

1 [REDACTED] - 2/16/2022

2 consideration and a lot of hours spent. So we were  
3 always trying to think of new potential risks that  
4 needed to be considered and, you know, assess how  
5 that impacts our decision-making process.

6 Q. Are there any other factors that you  
7 considered in deciding which digital assets would be  
8 the focus of your arbitrage strategies that you can  
9 remember sitting here today?

10 A. No.

11 Q. Prior to your involvement in this case,  
12 did you ever perform any analysis of XRP?

13 MR. SYLVESTER: Objection; form.

14 A. I was generally aware and tried to keep  
15 close tabs on as many digital assets as I could and  
16 XRP was a -- you know, certainly a known topic of  
17 conversation and so I certainly had looks -- had  
18 read about XRP and, you know, tried to learn about  
19 it.

20 Q. So you did perform an analysis of XRP as  
21 a potential purchase. Is that right?

22 MR. SYLVESTER: Object to form.

23 A. I'm sorry. I couldn't hear the first  
24 part.

25 Q. You did perform an analysis of XRP as a

1 [REDACTED] - 2/16/2022

2 potential purchase. Is that right?

3 MR. SYLVESTER: Object to form.

4 A. I'd say that generally I, on some level,  
5 thought about, you know, an analysis of risk and  
6 reward for practically every asset that I could, you  
7 know, think of and learn about closely.

8 Sometimes that ranged from, you know, a  
9 short kind of dive into what it was or what I did,  
10 and sometimes that resulted in a very deep  
11 understanding of it and a lot of hours spent  
12 analyzing it, so kind of between those two points.  
13 I can't specifically remember at a specific point in  
14 time where it would fall -- you know, would have  
15 fallen in that spectrum. But I certainly knew about  
16 it and had learned about it and, you know,  
17 understood a good deal of what it was.

18 Q. What analysis -- well, withdrawn.

19 Do you recall when you first learned  
20 about XRP?

21 A. No, I don't remember.

22 Q. Have you ever purchased XRP?

23 A. No.

24 Q. Have you ever purchased any derivatives  
25 related to XRP?

1 [REDACTED] - 2/16/2022

2 A. No.

3 Q. Did you ever consider purchasing XRP or  
4 any derivatives related to it?

5 A. Again, I'm not sure how to answer that  
6 question because the way I think about my, you know,  
7 investment partnership is that potentially any  
8 asset, you know, in the universe is a potential  
9 investment. So, you know, nearly any asset that I  
10 could have access to is something that I could  
11 potentially purchase in a given moment.

12 Q. So XRP is an asset that you could  
13 potentially purchase, but you never have. Is that  
14 right?

15 A. That's correct.

16 Q. Why didn't you -- why -- withdrawn.  
17 Why didn't you purchase XRP?

18 A. Sitting here now, I can't remember at a  
19 given point in time why exactly all the reasons that  
20 I made a decision to purchase an asset or not  
21 purchase an asset, but, you know, to say that, you  
22 know, in general if I haven't purchased an asset, at  
23 that moment I didn't think it was strong enough  
24 risk/reward based on the opportunity set that I had  
25 in front of me at the moment.



1 [REDACTED] - 2/16/2022

2 Q. What factors did you consider in deciding  
3 that XRP wasn't a strong enough risk/reward based on  
4 the opportunity set in front of you at the moment?

5 A. There were many factors. And, you know,  
6 sitting here now I can't remember every single  
7 factor that I thought about or applied to that --

8 Q. What factors --

9 A. -- decision.

10 Q. -- what factors do you remember thinking  
11 about when you made that decision?

12 MR. SYLVESTER: Object to form.

13 Go ahead.

14 A. I can't remember. You know, again,  
15 I want to be accurate here. So sitting here right  
16 now, I can't put myself in that mindset and remember  
17 exactly the way I thought about it. Yeah. I can't  
18 tell you exactly what it was that made me decide to  
19 purchase or not purchase that specific digital  
20 asset.

21 Q. Have you ever revisited your decision not  
22 to purchase XRP and done any further analysis of  
23 whether it would make sense to purchase XRP at a  
24 different time?

25 MR. SYLVESTER: Object to form.

1 [REDACTED] - 2/16/2022

2 A. Well, I think like I said the first time,  
3 it wasn't -- I don't think I would characterize it  
4 as a specific point in time that I, you know, made  
5 that decision. In general, there are a wide variety  
6 of assets that I could choose to investment in or  
7 not at any given point in time.

8 And, you know, constantly trying to  
9 evaluate the entire opportunity set in front of me  
10 and, you know, at any given point in time, based on  
11 the opportunity set, there are some assets that I'm,  
12 you know, thinking about very closely and analyzing  
13 very closely, and some I'm kind of generally aware  
14 of, and there are some that are somewhere in between  
15 those two.

16 So when you ask if there is another  
17 specific time that I revisited a decision, I can't  
18 think of a specific moment that I revisited the  
19 decision and kind of redid that analysis.

20 But over time, you know, I've looked at  
21 many digital assets, continued to learn about them,  
22 and potentially, you know, with some restrictions,  
23 you know -- you know, I could consider purchasing  
24 any of those.

25 Q. But sitting here today you don't remember

1 [REDACTED] - 2/16/2022

2 the particular factors that led you to decide not to  
3 purchase XRP at any given time. Is that right?

4 A. I can't, yeah, enumerate the specific  
5 factors that would have gone -- that were in my head  
6 at that moment.

7 Q. Okay. Now, I think you just mentioned  
8 that with some restrictions you could potentially  
9 purchase any digital asset. What restrictions were  
10 you referring to there?

11 A. As part of my work with [REDACTED] if you  
12 see, we have an insider trading policy. So there  
13 are some digital assets that are off-limits based on  
14 that.

15 Q. And how do you learn which digital assets  
16 are off-limits based on Integra's policy?

17 A. Well, I look at the policy and I apply  
18 the restrictions from that policy to the -- the --  
19 to make a decision about whether or not the assets  
20 that I'm -- you know, out of that universe of  
21 digital assets at any given moment I can look at the  
22 insider trading policy and I can see that there are  
23 certain of those assets that would be off-limits.

24 Q. Is there a list of prohibited assets that  
25 [REDACTED] maintains?

1 [REDACTED] - 2/16/2022

2 A. No.

3 Q. How do you figure out which digital  
4 assets are prohibited under Integra's policy?

5 A. It's based on which assets I have  
6 nonpublic information about.

7 Q. Is there any prohibition under Integra's  
8 policy on you trading digital assets that other  
9 employees at [REDACTED] may be working with?

10 MR. SYLVESTER: Object to form.

11 A. I'm not sure I understand the question  
12 exactly. I mean, typically if -- if one employee --  
13 well, in many cases another employee has insider  
14 information or nonpublic information, I should say,  
15 about a digital asset, and I also have nonpublic  
16 information about that asset. So to that extent we  
17 would both be prohibited from trading that specific  
18 digital asset at the same moment.

19 But I have to look at the insider trading  
20 policy to try to work out, like, a specific  
21 permutation of a scenario, if you're trying to ask  
22 about that.

23 Q. Which digital assets are you currently  
24 prohibited from trading under Integra's policy?

25 MR. SYLVESTER: Object to form.

1 [REDACTED] - 2/16/2022

2 And I'm going to instruct you not to  
3 answer that question to the extent it reveals any  
4 communications with Securities and Exchange  
5 Commission attorneys or any other projects'  
6 directions that you received from attorneys or  
7 analysis you provided.

8 A. Yeah, I'm not going to answer that  
9 question. I think -- I'm not allowed to speak to  
10 any of those that would potentially be on that list.

11 Q. So all of the digital assets currently on  
12 that list would be based on work with the SEC?

13 MR. SYLVESTER: Object to form.

14 A. This policy applies to any nonpublic  
15 information that I have, and that's not specific to  
16 a particular agency.

17 Q. What steps do you take to ensure that  
18 [REDACTED] does not purchase any of the assets on  
19 Integra's -- withdrawn.

20 What steps do you take to ensure that  
21 [REDACTED] does not purchase any of the assets that  
22 are prohibited by Integra's policy?

23 A. I review the insider trading policy and,  
24 you know, at times have conversations with, you  
25 know, staff at [REDACTED] to make sure I'm on the same

1 [REDACTED] - 2/16/2022

2 page about what would, you know, be prohibited or  
3 not.

4 And then, you know, once I've  
5 established, both just from my own kind of reasoning  
6 about what I'm working on and through talking with  
7 staff at [REDACTED] once I've established kind of at  
8 that given moment, okay, here's what's off-limits,  
9 then, you know, I make sure that [REDACTED] is  
10 complying with that restriction.

11 Q. How do you make sure that [REDACTED] is  
12 complying with that restriction?

13 A. I make sure because I'm part of the  
14 leadership of [REDACTED]. So if I decide that we  
15 shouldn't, you know, purchase a particular digital  
16 asset, that's -- you know, that's part of the  
17 investment process for [REDACTED], is my -- is my  
18 direction about what we should or should not  
19 purchase, so...

20 Q. What directions have you provided to  
21 [REDACTED] about which digital assets should not be  
22 purchased due to the [REDACTED] policy?

23 MR. SYLVESTER: Object to form.

24 And once again if the answer to that  
25 question would reveal any of your communications

1 [REDACTED] - 2/16/2022

2 with any Securities and Exchange Commission's  
3 attorneys, I'll instruct you not to answer as to  
4 that. If you can answer the question without  
5 revealing those communications, you're free to  
6 answer.

7 A. Yeah, I'm going to decline to answer.  
8 I'm not exactly even sure how to answer, but I just  
9 don't want to wade into revealing, you know,  
10 information that I have a nondisclosure agreement on  
11 that I'm not allowed to discuss, you know. I  
12 certainly don't want to discuss anything that  
13 I've -- I have knowledge about as a result of my  
14 work with [REDACTED]

15 Q. I'm not sure that's an appropriate  
16 instruction, but let's see if we can cut through  
17 this one question at a time.

18 Have you ever provided instructions to  
19 [REDACTED] Capital about which digital assets should  
20 not be purchased due to the [REDACTED] policy? And  
21 that is a "yes" or "no" question.

22 MR. SYLVESTER: If you can recall.

23 A. I don't -- I don't exactly know what you  
24 mean by if I've provided instructions. I can say  
25 that I have -- I have never -- whether individually

1 [REDACTED] - 2/16/2022

2 or -- you know, personally or as part of my role  
3 with [REDACTED] traded a digital asset that was  
4 prohibited under the insider trading policy.

5 Q. Have you ever communicated to anyone else  
6 at [REDACTED] that [REDACTED] should not  
7 purchase a particular asset due to Integra's policy?

8 MR. SYLVESTER: You can answer that  
9 yes or no, if you recall.

10 A. I'm sorry. Say it exactly. I just want  
11 to make sure...

12 Q. Yeah.

13 A. I'm trying to thread the needle here  
14 between not saying something I'm not supposed to say  
15 in terms of revealing, you know, sensitive or  
16 confidential information, but...

17 Q. Have you ever communicated to anyone else  
18 at [REDACTED] that [REDACTED] should not  
19 purchase a particular digital asset because of  
20 Integra's policy?

21 MR. SYLVESTER: And again, yes, no,  
22 or I don't know.

23 A. I don't know. I can't remember a  
24 specific example of that.

25 Q. So sitting here today, you don't remember



1 [REDACTED] - 2/16/2022

2 one way or the other if you've ever communicated to  
3 someone at [REDACTED] that [REDACTED] should not  
4 purchase a particular digital asset because of  
5 Integra's policy. Is that right?

6 A. I don't think that for [REDACTED] the issue  
7 has ever come up in the sense that I don't think  
8 we've had a situation where [REDACTED] was set to  
9 purchase a particular digital asset and then I had  
10 to step in and say we can't do that. So that would  
11 be kind of a hypothetical about how I would handle  
12 that situation in the future.

13 But I can definitely say unequivocally  
14 that I've never made a trade that would have  
15 violated that policy, but I don't remember -- you  
16 know, I don't specifically remember having that  
17 conversation because, you know, A, the -- the same  
18 confidentiality agreements that I'm talking about  
19 here today prohibit me from talking about specific  
20 digital assets with other people that aren't kind of  
21 on that same nondisclosure. But, luckily, I think,  
22 like I said, I don't think that's ever come up so  
23 that's why I can't remember ever having that  
24 discussion.

25 Certainly discussed that there is a

1 [REDACTED] - 2/16/2022

2 policy in place that there could potentially be a  
3 conflict, but I don't think it's actually ever come  
4 up just based on the -- the actual matters that I've  
5 been involved in.

6 Q. Have you ever had discussions with anyone  
7 outside of [REDACTED] at any other company  
8 that you're affiliated with about Integra's digital  
9 asset trading policy?

10 MR. SYLVESTER: Object to the form.

11 A. At other companies that I'm involved  
12 with?

13 Q. Yes.

14 A. What -- you're asking if I've had  
15 discussions with anybody outside of [REDACTED] and  
16 outside of [REDACTED] about [REDACTED] trading policy?

17 Q. Yes.

18 A. I don't recall ever having a discussion  
19 like that.

20 Q. Okay.

21 MR. OPPENHEIMER: Why don't we pause  
22 here for a break?

23 MR. SYLVESTER: Okay.

24 THE VIDEOGRAPHER: The time is 10:29.  
25 We are off the record.

1 [REDACTED] - 2/16/2022

2 (Break.)

3 THE VIDEOGRAPHER: The time is 10:49.

4 We are on the record.

5 Q. Have you ever traded digital assets  
6 outside of digital asset trading platforms?

7 A. Not that I can remember. Yeah.

8 Q. And has any company that you've been  
9 affiliated with such as [REDACTED] ever traded  
10 digital assets outside of digital asset trading  
11 platforms, to the best of your knowledge?

12 A. You just mean has it made a transaction  
13 that wasn't, like, entered onto a -- into the  
14 interface that's used -- the software product that's  
15 offered by a platform? I'm trying to figure out  
16 exactly what you mean to give you an accurate  
17 answer.

18 Q. Have you or [REDACTED] -- have you or [REDACTED]  
19 [REDACTED] ever made any digital asset trades  
20 directly on Ledger?

21 A. Oh. Well, I think your first question  
22 was about trading platforms. Some of those are on  
23 Ledger so I think those two questions sort of  
24 conflict with one another.

25 Q. It's a different question.

1 [REDACTED] - 2/16/2022

2 A. Okay.

3 Q. What I'm asking you now is have you or  
4 [REDACTED] Capital ever made any digital asset trades  
5 directly on Ledger?

6 A. Yes.

7 Q. Have you or [REDACTED] ever made  
8 any digital asset trades through decentralized  
9 finance platforms?

10 A. Do you have a specific platform in mind?  
11 What I'm trying to do is give you an accurate answer  
12 and some of those terms are broad. I -- I think I  
13 generally know what you're getting at, but if you're  
14 asking me about a particular platform, I could  
15 give -- probably give a better yes or no for that.

16 Q. Let's try it this way. Which digital  
17 asset trading platforms do you current have accounts  
18 on?

19 A. I've got accounts on many platforms that  
20 I probably wouldn't even be able to remember of all  
21 of them. Some of them date back to the -- you know,  
22 the discussion we were having previously about  
23 activity that goes back in time that the accounts  
24 probably still exist, but they haven't been used in  
25 a while. So there's -- I'm not going to be able to

1 [REDACTED] - 2/16/2022

2 give a simple answer to that question.

3 Q. Which platforms do you have accounts on  
4 that you can recall as you sit here today?

5 A. Coinbase Pro, Kraken, Bittrex. Some  
6 platforms I mentioned earlier, the account probably  
7 still exists even though I am probably barred from  
8 using it because they've shut off access to American  
9 customers in the meantime. So that would include --  
10 you know, earlier I mentioned having accounts on  
11 BitMEX and Deribit. That -- those would fall into  
12 that category. So those accounts I think probably  
13 are still there.

14 Let's see. I can't remember any others  
15 specifically. I think, you know, you were asking  
16 about decentralized finance platforms, but you don't  
17 really have accounts on those. So, yeah, I would  
18 just leave it there. Those are the ones I can  
19 remember.

20 Q. Does [REDACTED] have its own  
21 separate accounts on any digital asset platforms --  
22 digital asset trading platforms?

23 A. What do you mean by "does it have its own  
24 separate accounts"?

25 Q. Does [REDACTED] have accounts that

1 [REDACTED] - 2/16/2022

2 are distinct from your personal accounts on any  
3 platforms?

4 A. Yes.

5 Q. Which platforms does [REDACTED]  
6 have accounts on?

7 A. All -- my previous answer was all about  
8 [REDACTED] accounts on those platforms.

9 Q. And are there any accounts -- withdrawn.  
10 Are there any platforms that you  
11 personally have an account on?

12 A. Yes.

13 Q. Which ones?

14 A. I have an account on Coinbase.

15 Q. Any others?

16 A. I know there are others, but again, most  
17 of those were from a long time ago before -- you  
18 know, before my trading. So just tell you that, you  
19 know, there was a period of time when the activity  
20 was under personal accounts and then [REDACTED]  
21 [REDACTED] was formed and the trading under the  
22 personal accounts hasn't really persisted past that  
23 point. So it's going to be hard for me to remember  
24 that activity exactly because it's been kind of a  
25 long time.

1 [REDACTED] - 2/16/2022

2 Q. Sitting here today, is the only personal  
3 account that you have on a digital asset trading  
4 platform that you are aware of the account on  
5 Coinbase?

6 MR. SYLVESTER: Object to the form.

7 A. No, I think -- I know there are others.  
8 Yeah.

9 Q. Which other ones do you have?

10 A. The one -- so one I can remember is I'm  
11 pretty sure I had a separate personal account on  
12 Kraken. And so there is Kraken, Coinbase,  
13 Crypto.com. Again, I know there are others, but I  
14 can't remember because it's been a long time since  
15 I've specifically traded under the personal  
16 accounts. I think the only one there that would be  
17 somewhat recent would be the Crypto.com account I  
18 think.

19 Q. When was the last time that you recall  
20 trading on your personal account?

21 A. I can't remember.

22 Q. Was it within the last three years?

23 A. I can't remember.

24 Q. Do you personally own any digital assets  
25 today?

1 [REDACTED] - 2/16/2022

2 A. Yes.

3 Q. Which ones?

4 A. You're distinguishing [REDACTED] to all  
5 things in my personal holdings?

6 Q. Right. I'm asking about your personal  
7 holds of digital assets.

8 A. My personal holding are, I believe,  
9 [REDACTED].

10 Q. Any others?

11 A. I don't think so.

12 Q. Have you ever owned any other digital  
13 assets in your personal capacity?

14 A. Yes.

15 Q. Which other digital assets have you  
16 previously owned?

17 A. So some of the investment activity and  
18 arbitrage strategies that we talked about earlier, I  
19 developed those, in part, before the formation of  
20 [REDACTED] and so all the activity I discussed  
21 earlier, at one point, that activity would be done  
22 under personal accounts and so that encompasses a  
23 wide variety of digital assets and I can't remember  
24 all of them.

25 Q. Sitting here today, which ones can you



1 [REDACTED] - 2/16/2022

2 remember?

3 A. I know it was a big list. I can -- at  
4 this point, I can remember -- let's see. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] And there are many others, but like I  
9 said, I can't remember specifically for the personal  
10 account that long ago.

11 Q. Approximately, how many different digital  
12 assets have you owned personally at any point?

13 A. I can't remember.

14 Q. Was it more than 50?

15 A. I can't remember.

16 Q. It may have been; it may not. You're not  
17 sure?

18 A. It may have been -- yeah, if I had to,  
19 like, guess, that -- that's probably, like, on the  
20 right order. It's probably 50ish, but, I mean, it's  
21 not -- the number is not 50. It's just, you know --

22 Q. In the ballpark of 50?

23 A. Something like that, I guess, yeah.

24 Q. Okay. Which digital assets has [REDACTED]  
25 [REDACTED] owned at any time?

1 [REDACTED] - 2/16/2022

2 A. I can't remember specifically the list.

3 Q. Approximately how many different digital  
4 assets has [REDACTED] owned at any time?

5 A. I can't remember.

6 Q. Do you think it was more than 50?

7 MR. SYLVESTER: Apologies.

8 Objection. You said "owned at any time." I just  
9 wanted to make sure the record is clear. Do you  
10 mean throughout the history of [REDACTED] or  
11 at a specific point in time?

12 MR. OPPENHEIMER: I mean at any time.

13 MR. SYLVESTER: So total through its  
14 existence?

15 MR. OPPENHEIMER: Right.

16 MR. SYLVESTER: Okay.

17 A. Oh, okay.

18 Q. At any time -- so I'm asking if [REDACTED]  
19 [REDACTED] has ever bought or sold a digital asset that  
20 would count as one, and for each of those that you  
21 count up, approximately how many digital assets has  
22 [REDACTED] owned at any time?

23 A. More than the number I gave for my  
24 personal activity. I have a hard time remembering  
25 exactly how many that is, but I would probably say

1 [REDACTED] - 2/16/2022

2 it's more like 100.

3 Q. Which digital assets do you recall,  
4 sitting here today, [REDACTED] owned at any  
5 point in time?

6 A. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

13 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

20 Q. Okay. When [REDACTED] decided to  
21 trade those digital assets, did it consider the  
22 regulatory risk involved with any of them?

23 MR. SYLVESTER: Objection to form.

24 A. I considered a wide variety of risks.

25 Q. Did that include regulatory risks?

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2 MR. SYLVESTER: Objection to form.

3 A. I think you would have to -- maybe we can  
4 hone down to a specific asset and talk through the  
5 risks but, you know, in general, any possible risk  
6 that I can, you know, identify is something that I  
7 would have to think about.

8 To the extent that for a particular coin,  
9 you know, regulatory risk is something I can kind of  
10 make a risk assessment on, then that's going to be  
11 something I considered.

12 (Discussion off the written record.)

13 Q. Are there any digital assets that  
14 [REDACTED] has ever traded that you did not  
15 consider the regulatory risk in connection with?

16 MR. SYLVESTER: Object to form.

17 A. I can't specifically remember my exact  
18 thought process, sitting here right now, for every  
19 asset that I've ever traded.

20 Q. But it would be your and [REDACTED]  
21 [REDACTED] general practice to consider regulatory  
22 risk whenever you could. Is that right?

23 MR. SYLVESTER: Object to form.

24 A. I have considered regulatory risk on some  
25 assets in the past. I can't, sitting here right

1 [REDACTED] - 2/16/2022

2 now, remember exactly what risks I considered or  
3 didn't consider for every asset that I've ever  
4 traded.

5 Q. You said you considered regulatory risk  
6 on some assets in the past. Are there some that you  
7 didn't consider it on?

8 MR. SYLVESTER: Object to form.

9 A. So the reason I'm having a hard time  
10 thinking through this is, as we've discussed, I have  
11 had different trading strategies, and some of those  
12 trading strategies involve holding assets longer  
13 term. And in that case, a different set of risks  
14 come into play.

15 Some of them involve holding assets for  
16 very short periods of time, and there is a unique  
17 set of risks for those, and so there is going to be  
18 some set of those assets and that trading activity  
19 that falls into that -- to one bucket where a  
20 particular risk might not apply, and a certain  
21 portion of the trading activity falls into another  
22 strategy, another bucket where a particular risk  
23 might apply.

24 So every single risk doesn't apply to  
25 every single trade. You know, it's different on a

1 [REDACTED] - 2/16/2022

2 case-by-case basis, and depending on, you know, what  
3 specific trading strategy was being used to make  
4 that transaction.

5 Q. Which digital assets have you or [REDACTED]  
6 [REDACTED] traded in order to hold for a longer term?

7 MR. SYLVESTER: Objection; form.

8 A. I guess longer term is -- I'm going to  
9 have trouble giving a specific answer to that  
10 because I don't exactly know, you know, what you  
11 mean by the exact amount of time that would qualify  
12 as longer term or not.

13 I mean, it's just -- I generally  
14 described how there are different buckets and  
15 different types of trading strategies, but I don't  
16 have a bright line where it would be like, okay,  
17 this many days or this many months qualify -- counts  
18 as, quote, unquote, longer term or, quote, unquote,  
19 not longer term, so I don't know exactly how to  
20 categorize them based on that question.

21 Q. I think you said there was a bucket of  
22 longer-term holdings as compared to other buckets.  
23 What do you consider to be longer-term holdings?

24 A. So let me clarify that earlier statement.  
25 I don't mean that there is a specific bucket where

1 [REDACTED] - 2/16/2022

2 there's one precisely defined category where the  
3 specific risks apply.

4 I was generally describing that there are  
5 just different types of trading strategies,  
6 different types of holding periods, and different  
7 risks might apply to one or the other of those, and  
8 there are certain times that the risks are going to  
9 be in common across those, certain times not. But I  
10 didn't mean to imply that there is a specific named  
11 subset of trades that I call -- you know, that I've  
12 labeled as having the name "longer term."

13 Q. For how long does [REDACTED]  
14 typically hold a digital asset that it buys?

15 MR. SYLVESTER: Object to form.

16 A. There is no answer to say what a typical  
17 holding period is. It ranges greatly. Sometimes  
18 the holding period is very short, sometimes the  
19 holding period is very long and everything in  
20 between. There is no typical answer to that.

21 Q. And what would you call a very long  
22 holding period in that last answer?

23 A. Well, the digital asset space has existed  
24 roughly for the past 13 years, so longer term would  
25 be kind of caps on the high end there, as opposed to

1 [REDACTED] - 2/16/2022

2 some other asset classes. But, you know, on the  
3 short end, it might be seconds, and on the long end,  
4 it might be indefinite, but with the constraint that  
5 some of these assets haven't existed for that many  
6 years.

7 Q. Which digital assets have you or [REDACTED]  
8 [REDACTED] traded with an intent to hold them for  
9 longer than one month?

10 MR. SYLVESTER: Object to form,  
11 compound.

12 A. I can't specifically remember, sitting  
13 here, which ones I intended to hold for a particular  
14 period of time when I made the transaction. I  
15 think, in many of those cases -- well, you can say,  
16 you know, when the transactions were made, there's  
17 not going to be a specific clock on that where you  
18 can say we're going to hold this for exactly, you  
19 know, three months or one year or anything like  
20 that.

21 There is a continuous process to evaluate  
22 the suitability of an investment, whether it's --  
23 provides an attractive risk/reward, whether it still  
24 fits in with the trading strategies and the trading  
25 objectives.



1 [REDACTED] - 2/16/2022

2 So I wouldn't, you know, make a decision  
3 not to trade an asset simply because at the  
4 beginning I had already predetermined the length of  
5 time of that holding. That wouldn't be -- that  
6 wouldn't be something that I would consider.

7 Q. [REDACTED] arbitrage strategy, is it fair  
8 to say -- withdrawn.

9 Is it fair to say that when [REDACTED]  
10 makes trades in furtherance of an arbitrage  
11 strategy, it typically intends to sell the digital  
12 assets it's buying in a short time frame, less than  
13 a day?

14 A. So I described earlier that there are  
15 many different arbitrage strategies, so when you  
16 talk about the arbitrage strategy, that -- that --  
17 that isn't how I would classify it at all, because  
18 there are actually many different strategies, even  
19 with the arbitrage, you know, kind of  
20 classification, umbrella over those.

21 And as we talked about earlier, you know,  
22 some of those involve very short trades, so maybe  
23 you're buying on spot market in one venue and  
24 selling in spot market on another venue, and so in  
25 that situation, the two trades might take place very

1 [REDACTED] - 2/16/2022

2 closely in time, maybe within even seconds.

3           There are other forms of arbitrage that  
4 involve holding periods that are very long. I mean,  
5 the holdings could last for years in some cases,  
6 because I mentioned that, you know, maybe you're  
7 buying something as part of a cash-and-carry  
8 strategy in which maybe you're buying a -- an asset  
9 on the spot market in one location and you're  
10 hedging that with a derivative of some sort on  
11 another platform.

12           The spot market purchase could be held as  
13 a long position for as long as that -- that  
14 cash-and-carry trade is earning a premium, as long  
15 as there is a positive funding rate on that  
16 transaction and you're continuing to expect that  
17 you'll earn, you know, positive carry by holding  
18 that asset over time.

19           Even though it's a arbitrage strategy,  
20 and maybe you've tried to hedge out the price risk,  
21 you still would be owning that asset continuously  
22 for a very long period of time. So I wouldn't  
23 classify it the way you have, that arbitrage  
24 necessarily implies that the holding period is short  
25 and non-arbitrage implies something different.

1 [REDACTED] - 2/16/2022

2 Arbitrage strategies can also kind of run  
3 the spectrum from very short holding periods to long  
4 periods, and discretionary strategies as well could  
5 run the spectrum from short holding periods to very  
6 long holding periods.

7 Q. Approximately what fraction of [REDACTED]  
8 holdings has [REDACTED] sold within a week of  
9 purchasing?

10 A. I don't know that answer. I'd have to  
11 look through -- to the extent they even have the  
12 ability to look at that anymore. I -- I have no  
13 idea just sitting here right now.

14 (Discussion off the written record.)

15 Q. Have you ever staked assets on a digital  
16 asset trading platform?

17 MR. SYLVESTER: Object to form.

18 A. I have staked assets, yes.

19 Q. Which assets?

20 A. I can't remember, sitting here right now.

21 Q. Do you consider [REDACTED] to be a  
22 reasonable purchaser of digital assets?

23 MR. SYLVESTER: Object to form.

24 A. I think [REDACTED] is a rational actor in  
25 the digital asset space.

1 [REDACTED] - 2/16/2022

2 Q. Does being a rational actor in the  
3 digital asset space make it a reasonable purchaser  
4 of digital assets?

5 MR. SYLVESTER: Object to form.

6 A. I think that reasonable purchasers are  
7 rational, yes.

8 Q. My question is, do you consider [REDACTED]  
9 [REDACTED] to be a reasonable purchaser of digital  
10 assets?

11 MR. SYLVESTER: Objection; asked and  
12 answered.

13 Q. You can answer.

14 A. Oh, sorry. Can you repeat the question?

15 Q. Do you consider [REDACTED] to be a  
16 reasonable purchaser of digital assets?

17 MR. SYLVESTER: Same objection.

18 A. I think reasonable purchasers of digital  
19 assets are rational purchasers of digital assets and  
20 [REDACTED] falls into that category.

21 Q. Is every rational purchaser of digital  
22 assets a reasonable purchaser of digital assets?

23 MR. SYLVESTER: Objection.

24 A. Is every rational purchaser of digital  
25 assets a reasonable purchaser of digital assets?

1 [REDACTED] - 2/16/2022

2 Yeah, I would say, yes, I think. Yeah.

3 Q. Do you consider yourself a reasonable  
4 purchaser of digital assets?

5 A. Yes.

6 Q. Were you a reasonable purchaser of  
7 digital assets the very first time you purchased a  
8 digital asset?

9 A. Yes.

10 Q. Do you believe it takes any special  
11 training or experience to become a reasonable  
12 purchaser of digital assets?

13 A. I think if -- by specialized training,  
14 I'm not sure exactly what you mean by that. The  
15 digital asset space is new so there are really no  
16 formal kind of certification or anything along those  
17 lines. So I'm not sure what you're referring to.

18 Q. Okay. I didn't say specialized, but just  
19 to make the question clearer, do you think it takes  
20 any training or experience to become a reasonable  
21 purchaser of digital assets?

22 MR. SYLVESTER: Object to form.

23 A. I think that's -- there's not a specific,  
24 you know, set of qualifications that you need to  
25 fulfill to become a reasonable purchaser.

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2 Certainly, I think reasonable purchase in general,  
3 I've had experience thinking about digital assets or  
4 being in the digital asset space.

5 But, you know, reasonable purchasers are  
6 also, you know, in the category of people who might  
7 be using a digital asset for a utility purpose not  
8 just an investment purpose.

9 So when you're talking about experience  
10 in purchasing or investing in digital assets, that  
11 could be one path towards the type of background  
12 that a reasonable purchaser might have, but I'd say  
13 there are other market participants who are  
14 reasonable purchasers who are, you know, coming at  
15 that from a different set of experiences that  
16 probably have not had experience and background in  
17 investing in digital assets but, rather, you know,  
18 they're making that purchase in order to use the  
19 asset in some way.

20 Q. So different reasonable purchasers of  
21 digital assets can have different backgrounds and  
22 different motivations. Is that right?

23 A. Yeah, I'd say different reasonable  
24 purchasers can have different motivations.  
25 Everybody has a different background, so I'm not

1 [REDACTED] - 2/16/2022

2 sure to the extent there's more reasonable purchaser  
3 they have different backgrounds, I think that would  
4 be probably clear.

5 But people can have different -- a  
6 different focus from their background. Some might  
7 be -- you know, I've talked about different types of  
8 trading strategies here, for instance. So  
9 reasonable might be a reasonable purchaser that are  
10 focused on short-term trading or technical analysis  
11 or something like that. Some might be more  
12 fundamentally oriented and have a different  
13 strategy.

14 Some might be utility purchasers or users  
15 of a blockchain or work for a company that intends  
16 to use the digital asset in some way. All of those  
17 people are generally experienced and have a  
18 background in the digital asset space. But each of  
19 them might have a different, you know, motivation or  
20 reason.

21 A reasonable purchaser, I think, can have  
22 different -- different reasonable purchasers can  
23 have different reasons for purchasing digital  
24 assets.

25 Q. And different reasonable purchasers can

1 [REDACTED] - 2/16/2022

2 care about different factors when they decide  
3 whether to buy a digital asset. Right?

4 MR. SYLVESTER: Object to form.

5 A. I'd say some reasonable purchasers might  
6 care much more about the -- the price appreciation  
7 of the asset, some reasonable purchasers might care  
8 more about the utilities of the asset. And there  
9 are a lot of other reasons, but reasonable  
10 purchasers can have a lot of different motivations  
11 for purchasing a digital asset.

12 Q. Is [REDACTED] an  
13 investment-oriented purchaser of digital assets?

14 A. At times [REDACTED] has made  
15 purchases for different reasons. I wouldn't  
16 categorize it solely as [REDACTED] is  
17 exclusively purchasing digital assets for investment  
18 purposes, but it certainly has purchased assets for  
19 investment-oriented purposes.

20 Q. What other purposes has [REDACTED]  
21 purchased assets for?

22 A. At times --

23 Q. Sorry. What other purposes has [REDACTED]  
24 [REDACTED] purchased digital assets for?

25 MR. SYLVESTER: Object to form.



1 [REDACTED] - 2/16/2022

2 A. There have been times when [REDACTED]  
3 [REDACTED] purchased digital assets as a utility user  
4 of a token to enable some activity on the  
5 blockchain, to, you know, facilitate some kind of  
6 activity that the asset was required to have or to  
7 use to do that rather than purchasing the asset with  
8 the intent that that specific asset would appreciate  
9 in price.

10 Q. Do [REDACTED] arbitrage  
11 strategies focus on investment use or utility use of  
12 digital assets?

13 MR. SYLVESTER: Object to form.

14 A. The arbitrage strategies in -- involve  
15 buying assets for both utility use and investment  
16 use. So the end goal of that strategy is to make  
17 money off of the -- you know, the profitability of  
18 the trading strategy.

19 But at times for their -- when that  
20 activity requires using platforms, blockchains or  
21 products that require utility users of a token,  
22 then, you know, completing or executing those  
23 strategies can also involved using digital assets as  
24 utility purchaser as well.

25 Q. Do you view -- do you view your role in

1 [REDACTED] - 2/16/2022

2 this case as assisting the SEC?

3 A. No.

4 MR. SYLVESTER: Object to form.

5 A. I view my role as an independent expert.

6 Q. You viewed your role in other cases as  
7 assisting the SEC, though. Isn't that right?

8 MR. SYLVESTER: Object to form.

9 A. Which case are you talking about in  
10 particular?

11 Q. I'm asking you, isn't it true that you've  
12 viewed your role in other cases as assisting the  
13 SEC?

14 MR. SYLVESTER: Object to form.

15 A. I'm not sure. I'd have to hear a  
16 specific example of a matter to -- to determine  
17 that.

18 Q. Did you believe you were assisting the  
19 SEC when you wrote an expert report in SEC versus  
20 [REDACTED]?

21 A. In SEC versus [REDACTED] case I was an  
22 independent expert.

23 Q. So didn't view your role as assisting the  
24 SEC?

25 A. I viewed my role --

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Objection; asked and  
3 answered.

4 A. I viewed my role as an independent  
5 expert.

6 Q. You didn't view your role as assisting  
7 the SEC. Is that right?

8 MR. SYLVESTER: Objection; asked and  
9 answered.

10 A. I viewed my role as an independent  
11 expert.

12 Q. You are saying "independent expert" here.  
13 Is it your view that as an independent expert you  
14 were not assisting the SEC?

15 MR. SYLVESTER: Objection; asked and  
16 answered.

17 A. I viewed my role as an independent  
18 expert.

19 Q. What do you mean when you say  
20 "independent expert"?

21 A. I mean that I was -- you know, my task  
22 was to do some analysis based on assignment and to  
23 write an expert report based on that analysis and to  
24 basically provide my -- my expert opinion to the  
25 court in the matter.

1 [REDACTED] - 2/16/2022

2 Q. But not to assist the Securities and  
3 Exchange Commission?

4 MR. SYLVESTER: Objection; asked and  
5 answered.

6 A. My role was to provide analysis based on  
7 an assignment and provide an expert report so that  
8 the court could rely on my expert testimony.

9 Q. Did you view your role as assisting the  
10 SEC when you wrote an expert declaration in the SEC  
11 versus [REDACTED] case?

12 MR. SYLVESTER: Objection.

13 A. The same thing in that -- in that  
14 situation, I view my role as providing expert  
15 testimony and being an independent expert.

16 Q. So that's a no, you didn't view your role  
17 as assisting the SEC?

18 MR. SYLVESTER: Objection; asked and  
19 answered.

20 A. I view my role as being an independent  
21 expert.

22 Q. Is there some reason you can't answer  
23 "yes" or "no" as to whether you thought you were  
24 assisting the SEC in those cases?

25 MR. SYLVESTER: Objection; asked and

1 [REDACTED] - 2/16/2022

2 answered.

3 A. You're asking if there's a reason I can't  
4 answer "yes" or "no"? I don't understand what you  
5 mean. What --

6 Q. I've asked you if you thought you were  
7 assisting the SEC in those cases and you said your  
8 role as being an independent expert. Is there some  
9 reason you can't say whether you thought, yes or no,  
10 you were assisting the SEC in those cases?

11 MR. SYLVESTER: Object to form.

12 A. I've tried to state what I thought my  
13 role was in that case. And, you know, whether  
14 somebody interprets that in another way, the way  
15 that you're trying to ask the question, I -- I don't  
16 really have an opinion, I just -- I just know that  
17 my role was as an independent expert.

18 Q. I'm not asking what other people might  
19 interpret it as. Did you interpret your role as  
20 assisting the SEC?

21 MR. SYLVESTER: Objection;  
22 argumentative.

23 A. Like I said, I think, what I'm very clear  
24 on is that my role was to provide expert testimony  
25 and to provide insight analysis on those cases, to

1 [REDACTED] - 2/16/2022

2 provide expert -- to provide an expert report if,  
3 you know, if needed. And I guess I inherently view  
4 that role as assisting the court in the process in  
5 that.

6 To assist or doesn't assist, I don't have  
7 an opinion on it. I'm very clear that my role is to  
8 provide independent expert analysis.

9 Q. So you don't have an opinion as to  
10 whether you were assisting the SEC in those cases?

11 MR. SYLVESTER: Objection; asked and  
12 answered now five, six times.

13 A. I view my role as having given expert --  
14 independent expert analysis.

15 Q. All right. Turn to [REDACTED] Exhibit 2.  
16 It's a copy of your CV that was attached as an  
17 exhibit to your report. The first page of [REDACTED]  
18 Exhibit 2, underneath the first heading "Key  
19 Qualifications and Experiences," if you look down at  
20 the fourth bullet point you see it says: Wrote  
21 expert declaration to assist the Securities and  
22 Exchange Commission to achieve the first successful  
23 market manipulation action related to digital assets  
24 in --

25 And it gives the case name.

1 [REDACTED] - 2/16/2022

2 -- United States Securities and Exchange  
3 Commission versus [REDACTED]

[REDACTED].

5 Do you see that?

6 A. Yes.

7 Q. Do you think this description in your CV  
8 is accurate when you wrote that you -- wrote an  
9 expert declaration to assist the SEC?

10 A. Yes.

11 Q. And right below that, the next bullet  
12 says: Wrote expert report to assist the Securities  
13 and Exchange Commission in U.S. Securities and  
14 Exchange Commission versus [REDACTED]

[REDACTED]

16 Do you see that?

17 A. Yes.

18 Q. Do you think that description is accurate  
19 when you said you wrote an expert report to assist  
20 the SEC in that case?

21 A. Yes.

22 Q. You testified that you don't believe  
23 you're assisting the SEC in this case. What makes  
24 this case different?

25 MR. SYLVESTER: Objection;

1 [REDACTED] - 2/16/2022

2 mischaracterizes his testimony.

3 A. Yeah, I didn't say that.

4 MR. OPPENHEIMER: Can you read that  
5 back?

6 (The requested material was read.)

7 (Discussion off the written record.)

8 Q. So you testified that you don't believe  
9 you are assisting the SEC in this case. What makes  
10 this case different from the other two that you  
11 listed in your CV?

12 MR. SYLVESTER: Objection; still  
13 mischaracterizes his testimony.

14 A. I believe that the testimony you just  
15 read asked if I view my role as to assist the SEC.  
16 I don't believe that's the same as what you just  
17 asked me.

18 Q. Did you view your role as assisting the  
19 SEC in those other cases?

20 A. I viewed my role in those cases as  
21 providing independent expert testimony.

22 Q. Why did you write in your CV that you  
23 wrote an expert report to assist the SEC in those  
24 cases?

25 A. So this is what I was getting at with one



1 [REDACTED] - 2/16/2022

2 of my earlier answers to you, is whether or not  
3 something assists somebody or not, that's a separate  
4 question from whether I -- you know, my role was to  
5 assist them.

6 So earlier you asked whether my role was  
7 to assist the SEC. I said, you know, my role was to  
8 provide independent expert testimony. Whether that  
9 testimony -- you know, who that testimony assisted  
10 is a separate question.

11 Q. In your CV did you write: Wrote expert  
12 report to give independent testimony in these cases?

13 MR. SYLVESTER: Objection. Where are  
14 you reading from?

15 MR. OPPENHEIMER: The fourth and  
16 fifth bullet points under "Key Qualifications and  
17 Experiences" that we were looking at earlier.

18 Q. Did you write in those bullet points:  
19 Wrote expert report to provide independent testimony  
20 in those cases?

21 A. No.

22 Q. We may have mentioned this earlier, but  
23 under education you list a bachelor's degree in  
24 electrical engineering and a master's degree in  
25 electrical engineering. Do you have any degrees

1 [REDACTED] - 2/16/2022

2 other than those two?

3 A. No.

4 Q. Neither of those degrees involved a study  
5 of digital assets, did they?

6 A. My bachelor of science was earned in  
7 [REDACTED] Digital assets didn't exist at that point in  
8 time.

9 Q. So that's a, no, they didn't involve  
10 study of digital assets?

11 A. That would be no.

12 Q. And you don't -- neither of those degrees  
13 was in any finance-related field, were they?

14 A. No.

15 Q. If you look at Page 2 of this exhibit.

16 MR. SYLVESTER: Which exhibit?

17 MR. OPPENHEIMER: The same exhibit,  
18 [REDACTED] Exhibit 2.

19 Q. You list some companies that you've  
20 worked for previously. The first one in time, the  
21 bottom of the page, is [REDACTED].

22 Do you see that?

23 A. Yes.

24 Q. Was that your first job out of graduate  
25 school?

1 [REDACTED] - 2/16/2022

2 A. My first job after graduating from  
3 graduate school, yes.

4 Q. Had you worked any full-time jobs before  
5 then?

6 A. I worked off and on during graduate  
7 school on -- in various roles. Some were full-time,  
8 some were part-time, some were internships, some  
9 were full-time roles.

10 Q. Did any of those jobs prior to the [REDACTED]  
11 [REDACTED] involve digital assets?

12 A. No.

13 Q. Did any of those jobs prior to [REDACTED]  
14 [REDACTED] involve making investment decisions?

15 A. I guess you have to specify for me who  
16 the investment decisions would be on behalf of.

17 Q. Well, let's say this. Prior to the  
18 beginning of your job at the [REDACTED],  
19 did anyone ever pay you to work in a job involving  
20 making investment decisions?

21 A. I'd say broadly -- I'll give the same  
22 answer I gave earlier, which is that I worked in  
23 jobs considering investments in a range of assets.  
24 And some of those jobs involved making those  
25 decisions, yes.

1 [REDACTED] - 2/16/2022

2 Q. Who paid you to work in a job involving  
3 making investment decisions before the [REDACTED]  
4 [REDACTED] job?

5 A. The assisting companies in making  
6 decisions about, again, intellectual property  
7 software, making purchase decisions, making  
8 investments in software, R&D, was done at -- just  
9 off the top of my head I can think of [REDACTED]  
10 [REDACTED] (phonetic) and [REDACTED]

11 Q. Did anyone ever pay you to make  
12 investment decisions relating to equities,  
13 commodities, bonds, real estates, derivatives, or  
14 digital assets prior to September of 2010?

15 A. One of the --

16 MR. SYLVESTER: Object to form.

17 Go ahead.

18 A. One of those jobs involved trading in  
19 commodities. Not on behalf of the company I was  
20 working for, but certainly involved commodities  
21 trading.

22 Q. Which job involved commodities trading?

23 A. [REDACTED]

24 Q. What was your role at [REDACTED]

25 A. I was helping to implement the nodal

1 [REDACTED] - 2/16/2022

2 electricity market in Texas. So that involved  
3 forming market rules, testing, and a variety of  
4 functions around that.

5 Basically at the time Texas was switching  
6 from a zonal electricity market to a nodal  
7 electricity market. And so there are, you know, a  
8 variety of financial considerations in terms of how  
9 do you design a marketplace, how do you design  
10 market rules to have a well-functioning commodities  
11 market.

12 In this case the commodity would be the  
13 electricity market. And then, you know -- actually,  
14 that involved several markets because, you know, as  
15 you might know, the electricity market is not a  
16 single market, but there is a market for real power.  
17 There is also a market for ancillary services. So  
18 we're designing market rules and mechanics for  
19 different market participants in the various  
20 ancillary services markets as well, such as, you  
21 know, the market for spending reserves, the market  
22 for up regulation and down regulation services.

23 And that involved realtime and, you know,  
24 day-ahead market. So I really -- the role there was  
25 really the nexus of understanding the physical

1 [REDACTED] - 2/16/2022

2 constraints, the phenomenology around operating an  
3 electric grid, and also designing a financial market  
4 that would allow market participants, including, you  
5 know, investment banks and proprietary traders to  
6 participate in that space.

7 And part of that included, you know, how  
8 to facilitate derivatives trading in that  
9 marketplace as well.

10 Q. When did you work at [REDACTED]

11 A. I'm sorry. When?

12 Q. When did you work at [REDACTED]

13 A. I can't remember the exact dates.

14 Q. Which year, approximately?

15 A. It was something like -- it was in the  
16 range of probably 2007 to 2009, something like that.

17 Q. What was your job title?

18 A. I can't remember.

19 Q. Did you have any responsibility for  
20 making commodities trading decisions at [REDACTED]

21 A. Well, as I described, I helped to design  
22 elements of the -- the rules around a commodities  
23 marketplace. So that involved a deep kind of  
24 analysis of commodities trading from various market  
25 participants, how various market participants might

1 [REDACTED] - 2/16/2022

2 think about trading strategies and provide services  
3 both on the grid and financially in terms of making  
4 commitments to buy and sell electricity, including  
5 futures, derivatives, and, you know, realtime and  
6 also ancillary services products in that space.

7 Q. Did you have any responsibility for  
8 making commodities trading decisions at [REDACTED]

9 MR. SYLVESTER: Objection; asked and  
10 answered.

11 A. I think what I described does involve  
12 making commodities trading decisions. If you're  
13 talking about like purchasing a specific contract, I  
14 was not doing that on behalf of [REDACTED] But there --  
15 you know, commodities trading was generally the  
16 topic that -- that I was, yeah, considering and  
17 working on, yeah.

18 Q. Was your job at [REDACTED] a paid or unpaid  
19 job?

20 A. It was paid.

21 Q. And what was your title?

22 A. I can't remember.

23 Q. Okay. I'm sorry. I think I may have  
24 asked that. I apologize.

25 Other than [REDACTED] did any of your jobs

1 [REDACTED] - 2/16/2022

2 prior to September 2010 involve making discretionary  
3 investments in equities, commodities, bonds, real  
4 estate derivatives, private businesses, or digital  
5 assets, other than the companies that you started?

6 A. Other than everything I mentioned today,  
7 I can't remember another one.

8 Q. Okay. Your job at the [REDACTED]  
9 [REDACTED] that involved radar systems.

10 Is that right?

11 A. That's generally correct.

12 Q. That did not involve assessing  
13 discretionary investment opportunities in equities,  
14 commodities, bonds, real estate, derivatives, and  
15 digital assets. Is that right?

16 MR. SYLVESTER: Object to form.

17 A. It generally involved radar systems.

18 Q. Your next job at the [REDACTED]  
19 from January of 2013 to June of 2015, did that job  
20 also involve radar systems?

21 A. Yes, it did, generally.

22 Q. And generally, that job did not involve  
23 assessing discretionary investment opportunities in  
24 equities, commodities, bonds, real estate,  
25 derivatives, or digital assets. Right?



1 [REDACTED] - 2/16/2022

2 A. That's right.

3 Q. Then your next job was at [REDACTED] in  
4 July of 2015 until August of 2016. Is that right?

5 A. That's right.

6 Q. And that company was also focused on  
7 automotive radar systems, in part; yes?

8 MR. SYLVESTER: Object to the form.

9 A. In part, that -- that company was also  
10 focused on radar systems.

11 Q. Okay. Was [REDACTED] an investment  
12 company?

13 MR. SYLVESTER: Object to the form.

14 A. [REDACTED] was a corporation.

15 Q. Was its primary line of business to  
16 invest in equities, commodities, real estate, bonds,  
17 derivatives, or digital assets?

18 A. No, it was not.

19 Q. In September of 2016 -- in September  
20 of 2016, your CV says you became founder and CEO of  
21 [REDACTED]. Is that right?

22 A. That's right.

23 Q. When was [REDACTED] founded?

24 A. I can't remember exactly.

25 Q. How long did it operate before

1 [REDACTED] - 2/16/2022

2 registering as an LLC?

3 A. I can't remember exactly.

4 Q. Was it multiple months?

5 MR. SYLVESTER: Object to the form.

6 A. Yes, it was multiple months.

7 Q. Was it multiple years?

8 MR. SYLVESTER: Object to the form.

9 A. Not multiple years, no.

10 Q. How many employees does [REDACTED]  
11 have today?

12 A. Two.

13 Q. How many did it have in September of  
14 2016?

15 A. Two.

16 Q. Has it been the same two employees the  
17 entire time?

18 A. Yes.

19 Q. Who are the employees?

20 A. Myself and [REDACTED].

21 Q. What's your ownership interest in  
22 [REDACTED]?

23 A. I can't remember an exact figure.

24 Q. Are you a majority owner?

25 A. Yes.

1 [REDACTED] - 2/16/2022

2 Q. Who owns the minority interest in

3 [REDACTED]

4 A. [REDACTED]

5 Q. Does anyone else own any share of

6 [REDACTED]

7 A. No.

8 Q. Does [REDACTED] have a physical office?

9 A. Yes.

10 Q. Where?

11 A. [REDACTED].

12 Q. Is that its headquarters?

13 A. Yes.

14 Q. Does it have any other physical offices?

15 A. No.

16 Q. Does it have a website?

17 A. No.

18 Q. What was [REDACTED] doing between

19 the time when it was founded and the time that it

20 was, let's call it, incorporated as an LLC?

21 MR. SYLVESTER: Object to the form.

22 A. [REDACTED] was developing software,

23 developing intellectual property, and developing --

24 yeah, I'll leave it there. Developing intellectual

25 property and -- and software primarily.

1 [REDACTED] - 2/16/2022

2 Q. How many hours per week approximately do  
3 you spend working on [REDACTED]?

4 A. I --

5 MR. SYLVESTER: Can we get a time  
6 frame on that? You mean, like, this week or  
7 earlier?

8 Q. Across the last three years,  
9 approximately how many hours per week have you spent  
10 working on [REDACTED]?

11 A. It has ranged. A huge amount. I think  
12 there were probably -- there were weeks when it was  
13 probably 80 hours a week and there are weeks when  
14 that was a much smaller number than that and it's  
15 been, you know, different from week to week.

16 Q. What has it been on the smaller side?

17 A. On the smaller side, probably ten hours.

18 Q. Who is your boss at [REDACTED]

19 A. [REDACTED].

20 Q. And have you ever told Mr. [REDACTED] about your  
21 job at [REDACTED]?

22 A. Yes.

23 Q. Have you ever told [REDACTED] about  
24 your job at [REDACTED]?

25 A. For both of those people, I've told them

1 [REDACTED] - 2/16/2022

2 that I run an investment partnership.

3 Q. How much money does [REDACTED] have  
4 under management today?

5 A. Under the NDA, I've signed with [REDACTED]  
6 [REDACTED] I can't give specific figures.

7 Q. Can you give an approximation?

8 A. I can't give specific figures based on  
9 the NDA.

10 Q. Would you be able to provide an  
11 approximation if you didn't have an NDA?

12 A. I don't know what you mean by would I be  
13 able to. Like, is it physically possible?

14 Q. I mean, sitting here today, if you  
15 weren't prohibited by your NDA, would you be able to  
16 tell me --

17 A. A specific number --

18 Q. -- approximately how much money [REDACTED]  
19 [REDACTED] [REDACTED]?

20 A. Yes.

21 Q. Okay. How much money does it have under  
22 management?

23 A. I'm not going to say that. I'm  
24 prohibited under the NDA.

25 Q. Who contributed the money that [REDACTED]

1 [REDACTED] - 2/16/2022

2 [REDACTED] has under management today?

3 A. The partners of [REDACTED].

4 Q. Does it manage anyone else's money other  
5 than the two partners?

6 A. No.

7 Q. What are [REDACTED] approximate  
8 lifetime returns since September of 2016?

9 MR. SYLVESTER: Objection to form.

10 A. Are you asking me the cumulative return  
11 on investment from initial capital to -- to present  
12 day?

13 Q. Yes.

14 A. I can't remember exactly.

15 Q. Do you have an approximation?

16 A. Yes.

17 Q. Approximately, what has the cumulative  
18 return for [REDACTED] investments been?

19 A. [REDACTED].

20 Q. And that's overall or annualized?

21 A. I don't understand the distinction  
22 between overall and unrealized.

23 Q. Annualized.

24 A. Oh, okay. Those are the cumulative  
25 returns, roughly.

1 [REDACTED] - 2/16/2022

2 Q. Do you have any understanding of how  
3 those returns compare to the returns [REDACTED]  
4 [REDACTED] would have had if it had bought bitcoin and  
5 held it for the entire period?

6 MR. SYLVESTER: Objection. What --  
7 the entire period we're talking about?

8 MR. OPPENHEIMER: [REDACTED]  
9 lifetime returns since September of 2016.

10 A. I don't have that figure off the top of  
11 my head.

12 Q. If I were to tell you that bitcoin has  
13 had a more than 7,000 percent return since September  
14 of 2016, would that sound about right?

15 A. I'd have to look at the -- the figure  
16 myself.

17 Q. What about Ethereum? Do you know how  
18 [REDACTED] cumulative returns since  
19 September of 2016 compares to cumulative returns of  
20 buying and holding Ethereum during that time?

21 A. I -- I don't have that figure in front of  
22 me right now. I don't know.

23 Q. Who did you negotiate your NDA at  
24 [REDACTED] with?

25 MR. SYLVESTER: Objection; form.

1 [REDACTED] - 2/16/2022

2 A. The NDA was negotiated between the  
3 company and each partner in the company.

4 Q. And you're the CEO of the company?

5 A. Yes.

6 Q. Do you have the authority to waive any  
7 terms of the NDA or to amend the NDA as the CEO of  
8 [REDACTED]?

9 A. No.

10 MR. SYLVESTER: Object to form.

11 Q. Whose authorization would be required to  
12 do that?

13 A. The -- it would have to be a unanimous  
14 decision between the partners of the company.

15 Q. Through your work at [REDACTED],  
16 have you had substantive discussions with retail  
17 users of digital assets about their preferences with  
18 respect to purchasing digital assets?

19 MR. SYLVESTER: Object to the form.

20 A. I'm not sure I understand the question.  
21 You're asking about conversations I had with retail  
22 purchasers of digital assets?

23 Q. Yeah. What conversations have you had  
24 with retail purchasers of digital assets about why  
25 they choose to buy digital assets?



1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Can we get a time  
3 frame on that?

4 Q. During the time you worked at [REDACTED]  
[REDACTED]

6 A. I've had conversations with so many  
7 people about digital assets across so many different  
8 topics that it's impossible for me to relate a  
9 specific, you know, characterization of a specific  
10 conversation that would come anywhere close to being  
11 representative of all those interactions that I've  
12 had.

13 Q. All the interactions that you've had have  
14 involved people with different viewpoints on why  
15 they buy digital assets. Is that fair to say?

16 MR. SYLVESTER: Objection; form.

17 A. I -- you're asking if all of the  
18 conversations have had -- involved different  
19 participants or different --

20 Q. Here, let me -- let me give you a better  
21 question.

22 You testified that it would be impossible  
23 to give a characterization of your conversations  
24 with retail users of digital assets that would come  
25 anywhere close to being representative of all the

1 [REDACTED] - 2/16/2022

2 interactions you've had.

3 My question is, is that because the  
4 various interactions you've had with retail users or  
5 retail purchasers of digital assets have involved  
6 those retail users or retail purchasers expressing  
7 different views as to why they purchased digital  
8 assets?

9 MR. SYLVESTER: Object to form.

10 A. Some users purchase for investment  
11 purchase; some purchase for utility purpose. There  
12 are -- the conversations spanned so many years and  
13 so many different types of assets that it's hard to  
14 sum up conversations with people about digital  
15 assets into a specific, you know, summary.

16 Q. Do all of the retail purchasers who have  
17 an investment purpose have the same views on what  
18 factors are important to them based on the  
19 conversations they've had with you?

20 MR. SYLVESTER: Objection;  
21 foundation.

22 A. I would say that there are some generally  
23 accepted factors within the blockchain space that  
24 are important to purchasers of digital assets and  
25 the -- and to that extent, you know, somebody

1 [REDACTED] - 2/16/2022

2 might -- I think I might have misremembered exactly  
3 how you worded that, but I think you might've said  
4 like whether they would reach different conclusions.

5 Certainly people would reach different  
6 conclusions based on, you know, whether they think  
7 the risk/reward of a particular asset is favorable  
8 or not and, of course, that's what makes a market,  
9 there are always going to be, on a given digital  
10 asset, people who think it's going to go up, people  
11 who think it's going to go down just like with any  
12 other -- I mean, this applies to any other assets  
13 kind of in the world and that [REDACTED] trades. I  
14 mean, that -- that also applies to the, you know,  
15 equity investments or commodities or currency  
16 markets trading.

17 There's always two sides to a trade; so  
18 generally, there's somebody who thinks it's going up  
19 and somebody who thinks it's going down.

20 Let's say, you know, there's -- there's a  
21 general framework at any given time of how people  
22 think about what factors are important.

23 Q. That wasn't my question. My question  
24 was, did all of the retail purchasers you've spoken  
25 with who have an investment purpose have the same

1 [REDACTED] - 2/16/2022

2 views on what factors are important to them based on  
3 the conversations that they've had with you?

4 MR. SYLVESTER: Objection;  
5 foundation.

6 A. I'm sorry. Can you repeat the question?

7 MR. OPPENHEIMER: Can you repeat the  
8 question?

9 A. It's getting to be a long, wordy  
10 question.

11 (Discussion off the written record.)

12 (The requested material was read.)

13 MR. SYLVESTER: Same objection.

14 A. I think when you ask me any question  
15 about do all people in this same category have the  
16 same view? I don't know. You know, I might've had a  
17 conversation with them about one thing and they  
18 might have a view that they didn't tell me about, I  
19 certainly didn't speak to the exact complete set of  
20 motivations for every person that I've ever spoken  
21 to.

22 Q. Which retail purchasers of digital assets  
23 have you spoken to during your time at [REDACTED]

24 [REDACTED]

25 MR. SYLVESTER: Object to form.

1 [REDACTED] - 2/16/2022

2 A. I've spoken to purchasers who purchase  
3 for utility reasons, purchasers who bought digital  
4 assets for investment purposes, people who purchased  
5 because they were interested in a particular  
6 industry, people who purchased because they were  
7 executing a specific trading strategy. And I think,  
8 you know, I've spoken to many different types of  
9 purchasers who, you know, are buying for many  
10 different reasons.

11 Q. How did you meet these people?

12 MR. SYLVESTER: Object to form.

13 A. I have met people through, like -- are  
14 you asking how I first encountered them or how did  
15 we communicate or I'm trying to figure out exactly  
16 what you're asking me here?

17 Q. You've testified that you've had  
18 conversations with retail purchasers of digital  
19 assets. I'm asking you how you met those people  
20 that you had conversations with?

21 A. A wide variety of ways that I've met with  
22 people and communicate with them.

23 Q. How many retail purchasers approximately  
24 do you think you have spoken with about digital  
25 asset trading strategies?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 A. I -- I don't know. It's hard for me to  
4 pinpoint on a specific answer like that.

5 Q. You're unable to give an approximation?

6 MR. SYLVESTER: Objection; form.

7 A. I don't know how many people.

8 Q. How many institutional investors have you  
9 communicated with about their trading strategies  
10 concerning digital assets during your time at  
11 [REDACTED]?

12 MR. SYLVESTER: Object to form.

13 Go ahead.

14 A. I don't know a specific number.

15 Q. How many cryptocurrency miners have you  
16 communicated with about their strategies for trading  
17 digital assets during your time at [REDACTED]?

18 A. I --

19 MR. SYLVESTER: Object to form.

20 Go ahead.

21 A. I can't give a specific answer.

22 Q. How many software developers have you  
23 communicated with during your time at [REDACTED]  
24 [REDACTED] concerning their strategies for trading  
25 digital assets?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 Go ahead.

4 A. I can't remember with a specific answer.

5 Q. How many venture investors have you  
6 communicated with about their strategies for trading  
7 digital assets during your time at [REDACTED]?

8 MR. SYLVESTER: Object to form.

9 A. I can't remember the specific answer.

10 Q. Do you have an approximation for how many  
11 venture capital investors?

12 MR. SYLVESTER: Object to form.

13 A. No.

14 Q. Do you have an approximation for any of  
15 those categories that I just gave?

16 A. No.

17 MR. SYLVESTER: Object to form.

18 Q. Is [REDACTED] engaged in the  
19 business of providing advice to others about digital  
20 asset trading?

21 MR. SYLVESTER: Object to form.

22 A. By "others," do you mean other  
23 organizations outside of [REDACTED]?

24 Q. Let me ask it this way. Can a person or  
25 a company come to [REDACTED] and pay [REDACTED] to get

1 [REDACTED] - 2/16/2022

2 advice about digital asset trading?

3 A. No.

4 Q. Does [REDACTED] do anything to  
5 determine which digital assets it trades might be  
6 securities under the Federal Securities Laws?

7 MR. SYLVESTER: Object to form.

8 A. Sorry. Repeat it exactly. Does

9 [REDACTED] --

10 Q. Does [REDACTED] do anything to  
11 determine which digital assets it trades might be  
12 considered securities under the Federal Securities  
13 Laws?

14 MR. SYLVESTER: Same objection.

15 A. Again, I'd say this really is a question  
16 that depends on the trading strategy because there  
17 are many different trading strategies. And, again,  
18 certain risks come into play for one trading  
19 strategy that might not come into play for another.

20 Q. So for some trading strategies it may  
21 evaluate whether a digital asset would be considered  
22 a security under the Federal Security Laws and for  
23 other trading strategies it may not?

24 MR. SYLVESTER: Object to form.

25 A. I'm not a lawyer and it's not my ability



1 [REDACTED] - 2/16/2022

2 or role or [REDACTED] to make a determination about  
3 whether an asset is a security. I would say that at  
4 times I might try to assess relative risk that a  
5 regulatory risk might come into play.

6 Q. But not every time?

7 MR. SYLVESTER: Object to form.

8 A. At times certain risk factors are more  
9 important than others, sometimes the risk factor  
10 might not be present at all, it really depends on  
11 the trading strategy we're talking about.

12 Again, for some trading strategies,  
13 regulatory risk isn't a factor, for some trading  
14 strategies regulatory risk might be a factor. But  
15 in either of those cases, I think I would -- if I  
16 heard your question right, I think I would disagree  
17 with the question as asked, if I could determine  
18 whether something is security because I can't do  
19 that. I don't do that.

20 But, you know, there are certain times  
21 when kind of a relative risk is something I might  
22 think about.

23 MR. SYLVESTER: All right. We've  
24 been going about an hour-ten, so whenever it's a  
25 good time to take a break, let's take a break.

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2 MR. OPPENHEIMER: Sure. Give me --  
3 I'll do one or two questions and then we can take a  
4 break.

5 MR. SYLVESTER: Okay.

6 Q. What factors does [REDACTED]  
7 consider when it's evaluating regulatory risk of  
8 whether a particular asset may be considered a  
9 security under the Federal Securities Laws?

10 MR. SYLVESTER: Object to form.  
11 Calls for a legal conclusion.

12 A. So again, [REDACTED] doesn't make a  
13 determination about whether a particular digital  
14 asset is a security or not.

15 Q. Yeah, I didn't ask that.

16 My question is what factors does [REDACTED]  
17 [REDACTED] consider when it's evaluating the regulatory  
18 risk associated with a particular digital asset?

19 MR. SYLVESTER: Object to form.  
20 Calls for a legal conclusion.

21 A. There are many different types of  
22 regulatory risk. And so the factors that [REDACTED]  
23 considers in terms of regulatory risk, it might be  
24 different on a case-by-case basis. There might be a  
25 digital asset that's operating in a particular

1 [REDACTED] - 2/16/2022

2 industry that has regulatory risk unique to that  
3 industry and so there would be regulatory risk  
4 factors applied to that asset that don't apply to  
5 others.

6 So it -- it's impossible to give a  
7 specific set of factors as far as regulatory risk  
8 that are considered the same way each and every time  
9 across every single digital asset.

10 I would add that, you know, assessing  
11 regulatory risk goes beyond the digital asset  
12 investments that [REDACTED] makes. I think there  
13 are regulatory risks and -- that need to be assessed  
14 in, you know, equities, bonds, real estate, and  
15 other types of assets as well. And, again, I think  
16 the specific factors that are considered are  
17 different across each of those investments.

18 Q. And is it fair to say from your earlier  
19 answer, [REDACTED] has never made a  
20 determination, one way or the other, as to whether a  
21 particular digital asset its considering trading  
22 would be considered a security under the Federal  
23 Securities Laws?

24 MR. SYLVESTER: Object to form.

25 Go ahead.

1 [REDACTED] - 2/16/2022

2 A. I'm not a lawyer so I can't make a legal  
3 conclusion about whether a specific asset is a  
4 security or not. So since I'm incapable of doing  
5 that, that's not, you know, something I have done.

6 Q. So just to be clear [REDACTED] has  
7 never made a determination one way or the other on  
8 that issue. Is that right?

9 MR. SYLVESTER: Object to form, calls  
10 for a legal conclusion.

11 A. Yeah, I think the way I put it earlier is  
12 that [REDACTED] might assess relative risk of  
13 regulatory factors -- sorry, regulatory risks, and  
14 so it's a topic that would be considered, but  
15 [REDACTED] itself would not make a determination that  
16 a particular digital asset is or is not a security.

17 MR. OPPENHEIMER: Okay. Let's go off  
18 the record.

19 THE VIDEOGRAPHER: The time is 11:59.  
20 We are off the record.

21 (Break.)

22 THE VIDEOGRAPHER: The time is 12:28.  
23 We are on the record.

24 Q. Before the break, we were talking about  
25 your conversations with other market participants.

1 [REDACTED] - 2/16/2022

2 My question for you now is, which institutional  
3 investors did you speak with regarding their digital  
4 asset trading strategies?

5 MR. SYLVESTER: Object to form.

6 A. I can't remember specific people I spoke  
7 to about trading strategies.

8 Q. You don't remember the name of a single  
9 institutional investor that you spoke to on that  
10 topic?

11 MR. SYLVESTER: Object to form.

12 A. I can't specifically recall, you know,  
13 what I talked about with different people, so no, I  
14 can't remember something that would be responsive to  
15 that.

16 Q. Do you remember the name of a single  
17 cryptocurrency miner who you spoke with about  
18 digital asset trading?

19 A. The same thing, I can't remember the  
20 details of the specific conversations with specific  
21 people and whether we talked about that topic or  
22 not, so no.

23 Q. Do you remember the name of a single  
24 software developer who you've spoken with about  
25 digital asset trading?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 Go ahead.

4 A. I still say no, I mean, I can't recall  
5 the specific conversations with specific people,  
6 so...

7 Q. Do you recall the name of a single  
8 venture capital investor who you spoke with  
9 regarding digital asset trading?

10 MR. SYLVESTER: Objection.

11 A. Same answer.

12 Q. Do you recall the name of any retail  
13 users who you spoke with regarding digital asset  
14 trading?

15 A. I can't remember.

16 MR. SYLVESTER: Objection to form.

17 A. I can't remember specific details about  
18 specific conversations.

19 Q. Do you have any notes about these  
20 conversations?

21 MR. SYLVESTER: Object to form.

22 A. I don't think so.

23 Q. What was the venue in which these  
24 conversations took place?

25 MR. SYLVESTER: Object to form. Are

1 [REDACTED] - 2/16/2022

2 we talking about just, in your words, retail users,  
3 or any of it about the conversations?

4 Q. What was the venue in which any of your  
5 conversations with any market participants about  
6 digital asset trading took place?

7 MR. SYLVESTER: Object to form.

8 A. I mean, the time and place has varied  
9 greatly. The type of venue has varied. I mean,  
10 I've spoken to people at conferences and one-on-one  
11 settings. I've talked to people on the phone. I've  
12 talked to people, yeah, I -- in a variety of  
13 different places and ways.

14 Q. But you didn't take notes on those  
15 conversations, and you don't recall any single one  
16 of those conversations, just sitting here today. Is  
17 that right?

18 MR. SYLVESTER: Object to form.

19 A. Yeah, I can't remember the details of any  
20 specific conversation I had, yeah.

21 (Discussion off the written record.)

22 Q. Did any of your conversations with  
23 digital asset market participants take place over  
24 social media channels?

25 MR. SYLVESTER: Object to form.

1 [REDACTED] - 2/16/2022

2 A. Yes.

3 Q. Which ones?

4 A. Twitter.

5 Q. Any others?

6 A. Not that I can think of.

7 Q. Have you ever had any conversations with  
8 market participants on Reddit?

9 A. I don't think so.

10 Q. What's your Twitter handle?

11 A. [REDACTED].

12 Q. Can you spell that?

13 [REDACTED]

14 Q. Do you recall any specific conferences  
15 you've gone to at which you've had conversations  
16 with digital asset market participants?

17 A. I've been to a lot of different digital  
18 asset kind of events. I can -- off the top of my  
19 head, I can think of the [REDACTED], the  
20 conference of -- [REDACTED]. There  
21 are probably others. I can't think of any right  
22 now.

23 Q. When was the [REDACTED] held?

24 A. Summer of 2019.

25 Q. When was the [REDACTED]



1 [REDACTED] - 2/16/2022

2 held?

3 A. [REDACTED]. I can't remember exactly  
4 when.

5 Q. You don't remember any specific  
6 conversations you had with anyone else at those  
7 conferences, though, do you?

8 A. Not the names of the people or the -- you  
9 know, the specific details of -- of those.

10 Q. I'm sorry. To help the court reporter  
11 here, can you spell your Twitter handle again a  
12 little more slowly?

13 A. Okay. [REDACTED]  
[REDACTED]

15 Q. Okay. Thanks.

16 You work at [REDACTED] now. Right?

17 A. Yes.

18 Q. How did you first become affiliated with

19 [REDACTED]

20 A. I don't remember how I first became  
21 affiliated with [REDACTED]. I mean, I started working  
22 there at the date on my résumé, but I can't remember  
23 the initial conversations before that.

24 Q. How many employees does [REDACTED] have?

25 A. It varies from time to time, so I don't

1 [REDACTED] - 2/16/2022

2 know an exact number.

3 Q. Do you have an approximation today?

4 A. It's probably, like, 15.

5 Q. Do you know what percentage of -- sorry.

6 This thing fell out.

7 Okay. Do you know what percentage of

8 Integra's work is done on behalf of the SEC?

9 A. I don't know.

10 Q. Do you have an approximation?

11 A. No.

12 Q. Approximately what percentage of your own  
13 work at [REDACTED] is on behalf of the SEC?

14 A. I don't know.

15 Q. Do you have an approximation?

16 A. No.

17 Q. You're not sure how much of your own work  
18 is for the SEC at [REDACTED]

19 A. Yeah, I don't have a number for you.

20 Q. Is it a majority of your work at [REDACTED]

21 MR. SYLVESTER: Could we get a time  
22 period on this again?

23 THE WITNESS: Yeah.

24 MR. SYLVESTER: That might be  
25 helpful.

1 [REDACTED] - 2/16/2022

2 Q. Well, you just testified you don't know.

3 Do you know as to any particular time frames how

4 much of your work is for the SEC?

5 A. So, over time, I've worked on many

6 different projects for many different organizations,

7 both private organizations and government agencies.

8 Typically, I'm working on more than one project at

9 the same time.

10 So sitting here right now, it's hard for

11 me to separate out a exact percentage of how much

12 was spent with one organization versus another

13 organization.

14 Q. Yeah, I don't need -- I don't need an

15 exact percentage. I'm just asking if you can give

16 me an estimate of approximately how much of your

17 work has been on behalf of the SEC, let's say, in

18 the last year?

19 A. Yeah, I -- I don't know. I'd have to --

20 I'd have to look at the numbers on that.

21 Q. And would you know that as to the year

22 before?

23 A. No.

24 Q. Would you know that as to -- from the

25 time you started until whenever that period just got

1 [REDACTED] - 2/16/2022

2 us to, so roughly 2019 calendar year?

3 A. No.

4 Q. How are you compensated by [REDACTED]

5 A. I'm a salaried employee of [REDACTED]

6 Q. Do you get any bonuses?

7 A. Yes.

8 Q. What do your bonuses depend on?

9 A. There is a factor based on billable  
10 hours, and then I think -- there is not a specific  
11 metric. It's just based on performance.

12 Q. Do you get any compensation based on  
13 business that you bring into [REDACTED]

14 A. No.

15 Q. What was your base compensation from  
16 [REDACTED] last year?

17 A. [REDACTED].

18 Q. Did you receive a bonus in 2021?

19 A. Yes.

20 Q. What was the bonus?

21 A. [REDACTED]

22 Q. Approximately how many hours have you  
23 worked on this case to date?

24 A. I can't remember.

25 Q. Do you have a ballpark?

1 [REDACTED] - 2/16/2022

2 A. It's a substantial number of hours. I  
3 can't remember, yeah, exactly how many that is.

4 Q. What's your billing rate in this case?

5 A. I'd have to actually look. I know it's  
6 on the report.

7 Q. Okay. Feel free.

8 A. What?

9 Q. Feel free.

10 A. Okay. I'm not used to seeing this  
11 two-sided.

12 (Pause.)

13 Q. I can point you to [REDACTED] Exhibit 1,  
14 Paragraph 5, if it helps.

15 A. Yes, Paragraph 5.  
16 \$435 per hour.

17 Q. Is that your billing rate for all cases?

18 A. I'm not sure. I don't believe so. I  
19 don't handle the billing.

20 Q. Do you know whether you charge a higher  
21 hourly rate in other cases in which the SEC is not  
22 the client?

23 A. I'm not sure.

24 Q. You served as an expert witness in four  
25 cases before. Is that right?

1 [REDACTED] - 2/16/2022

2 A. Including this case?

3 Q. Including this case.

4 A. Yes. Wait. Yes, that's right.

5 Q. And that's three court cases and one  
6 arbitration case. Is that right?

7 A. Yes.

8 Q. What was the subject of the arbitration  
9 case?

10 A. I cannot disclose that. I'm under a NDA  
11 about the contents of the case.

12 Q. Who is the NDA with?

13 A. I don't remember exactly who I signed it,  
14 who the counterparty was. It might have been the  
15 law firm. It might have been the company that  
16 retained the law firm. I'm not -- I can't remember.

17 Q. Were you deposed in that case?

18 A. No.

19 Q. Did you testify at trial in that case?

20 A. Yes.

21 Q. And it's your position that you can't  
22 give any information about the subject of your trial  
23 testimony. Is that right?

24 A. That's correct.

25 Q. Okay. I think we dispute that, but we

1 [REDACTED] - 2/16/2022

2 can move on for now and circle back.

3 Talking about the court cases that you've  
4 been an expert in, have you ever served as an expert  
5 in a court case on behalf of any party that's not  
6 the SEC?

7 A. No.

8 Q. And in any of the court cases in which  
9 you served as an expert for the SEC, do you know if  
10 your testimony was subject to a Daubert motion?

11 MR. SYLVESTER: Objection.

12 A. I don't think so, but I don't -- yeah, I  
13 don't think that happened.

14 Q. So to the best of your knowledge, a court  
15 has never ruled on a Daubert motion concerning your  
16 testimony. Is that right?

17 MR. SYLVESTER: Objection.

18 A. I'm -- since I'm not a lawyer, I'm  
19 unclear of the specifics for how that process works,  
20 but I don't think that my testimony has ever been  
21 challenged or thrown out or anything like that.

22 Q. And I'm just asking to the best of your  
23 knowledge has a court ever ruled on a Daubert motion  
24 concerning your testimony?

25 MR. SYLVESTER: Objection.

1 [REDACTED] - 2/16/2022

2 Q. Do you know?

3 A. I don't know.

4 Q. Okay. Take a look at [REDACTED] Exhibit 1,  
5 your expert report. At Page 5, Paragraph 6.

6 Paragraph 6 says: Appendix B to this  
7 report contains a complete list of documents and  
8 data sources I relied upon to complete the analysis  
9 in this report.

10 Do you see that?

11 A. Yes.

12 (Exhibit 3 was marked.)

13 Q. I'm going to mark as [REDACTED] Exhibit 3 a  
14 copy of Appendix B to the report.

15 Do you recognize Exhibit -- [REDACTED]  
16 Exhibit 3 as a copy of Appendix B to your report in  
17 this case?

18 A. Yes, that looks right.

19 Q. Is this a complete list of all of the  
20 documents that you considered in forming your  
21 opinions in this matter?

22 A. This is a complete list of all the  
23 sources. I think on some of these, like social  
24 media sites, you know, there are different pages on  
25 that site that are kind of incorporated into that



1 [REDACTED] - 2/16/2022

2 source. It's not like every thread of every comment  
3 or anything like that is listed here. But, yeah,  
4 all the sources that I relied upon are here.

5 Q. Are there any sources you considered that  
6 you didn't list in Appendix B?

7 A. No, I don't think so.

8 Q. How did you learn what this case was  
9 about?

10 A. I can't remember.

11 MR. SYLVESTER: Objection.

12 To the extent that that calls for  
13 communications with counsel I'm going to instruct  
14 you not to answer.

15 A. I can't remember when I first learned  
16 about it or exactly how. I mean, I know that I read  
17 a news article about it I think after the case was  
18 filed. But in terms of -- yeah, I think -- yeah,  
19 that's probably...

20 Q. Did you consider any background facts  
21 about this case in forming your expert opinions?

22 A. Did I consider any -- sorry. Any what?

23 Q. Any background facts about the case  
24 itself --

25 A. I don't know what you mean --

1 [REDACTED] - 2/16/2022

2 Q. -- in forming your opinions?

3 A. -- by that.

4 Q. Well, let me give you an example. Take a  
5 look in [REDACTED] Exhibit 1, your report, Paragraph 2.  
6 Exhibit 1.

7 MR. SYLVESTER: Did you say  
8 Paragraph 2?

9 MR. OPPENHEIMER: Paragraph 2.

10 Q. You wrote at the end of Paragraph 2: The  
11 purchases of XRP were made through trades on the XRP  
12 Ledger on digital asset trading platforms and in  
13 private over-the-counter transactions throughout the  
14 period that Ripple offered XRP for sale from 2013 to  
15 the filing of the SEC's complaint on December 22nd,  
16 2020 (issuance period).

17 How did you come up with that period?

18 A. I think --

19 MR. SYLVESTER: Objection; form.

20 Go ahead.

21 A. That was part of my assignment in this  
22 case.

23 Q. You didn't read the complaint or the  
24 amended complaint in connection with forming your  
25 opinions in this case, did you?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Objection.

3 A. I thought -- it seems like you're asking  
4 me two different things, like if I read the  
5 complaint or if that helped form my opinion.

6 Q. Did you consider the complaint or the  
7 amended complaint when you were forming your  
8 opinions in this case?

9 MR. SYLVESTER: Objection.

10 A. I did my own independent analysis on this  
11 case.

12 Q. Did you consider the complaint or the  
13 amended complaint when you were forming your  
14 opinions?

15 MR. SYLVESTER: Objection; asked and  
16 answered.

17 A. Yeah, I did my own independent analysis.

18 Q. Did that independent analysis include  
19 consideration of the complaint or the amended  
20 complaint?

21 A. I did my own analysis on this -- in this  
22 case. I don't -- I really don't have anything else  
23 to say about that.

24 Q. You didn't list the complaint or the  
25 amended complaint in Exhibit B. Correct? I'm

1 [REDACTED] - 2/16/2022

2 sorry. Appendix B to your report, Exhibit 3 in this  
3 deposition. Correct?

4 A. Let me just go back and make sure. It's  
5 been a while since I've seen this.

6 (Pause.)

7 No, I don't see it listed there.

8 Q. So does that mean you did not consider  
9 the complaint or the amended complaint in forming  
10 your opinions in this case?

11 A. The sources I considered are in this  
12 list.

13 Q. And the complaint and the amended  
14 complaint are not among them. Right?

15 A. Not on that list.

16 Q. Okay. So how did you learn what this  
17 case was about?

18 MR. SYLVESTER: Objection; same  
19 instruction.

20 To the extent that you can answer  
21 that question without revealing communication with  
22 SEC counsel, you're free to answer. And to the  
23 extent that it calls for communications with  
24 counsel, please do not answer.

25 A. I can't remember all the details around

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2 that, but -- yeah, that's -- I'll leave it there.

3 Q. So you can't remember how you learned  
4 what this case was about. Is that right?

5 MR. SYLVESTER: Objection;  
6 mischaracterizes testimony.

7 A. Yeah, I don't think that's what I said.

8 Q. Okay. So tell me what you do remember  
9 about how you learned what this case was about.

10 MR. SYLVESTER: Objection.

11 To the extent that that calls for  
12 communications with counsel, I'm going to instruct  
13 you not to answer.

14 A. Yeah, I'm going to not answer that  
15 question.

16 Q. So did you learn about what this case was  
17 about solely through conversations with counsel?

18 MR. SYLVESTER: Objection;  
19 mischaracterizes testimony.

20 A. Sorry. Repeat the question.

21 Q. Did you learn what this case was about  
22 solely through conversations with the SEC's counsel?

23 A. For the reasons that we talked about, I'm  
24 not going to answer that question.

25 Q. I don't think you have the option not to

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2 answer that question. I'm not asking you what you  
3 talked about with them. I'm asking did you learn  
4 about this case solely through conversations --  
5 sorry.

6 Did you learn what this case was about  
7 solely through conversations with the SEC's counsel?

8 A. I think that involves the discussions I  
9 had with SEC counsel and what we talked about, so...

10 Q. You haven't been instructed not to answer  
11 that question. Are you refusing to answer it?

12 A. I think I've already given a general  
13 sense of some of the information and where I've  
14 learned about it. And then in other cases I think  
15 that I've learned things about this case from  
16 conversations with attorneys. So I've been  
17 instructed not to disclose those. And so I think  
18 I've covered the answer to your question as best as  
19 I can.

20 Q. My question is did you learn about what  
21 this case is about solely through conversations with  
22 the SEC's counsel?

23 MR. SYLVESTER: Objection; asked and  
24 answered.

25 He's testified to

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2 this (unintelligible) --

3 MR. OPPENHEIMER: Counsel, you know  
4 he has not answered the question.

5 MR. SYLVESTER: I do know that he has  
6 answered the question. He's testified, for one  
7 thing, that he read about the case elsewhere.

8 Q. What sources did you -- from what sources  
9 did you learn about this case, other than the SEC's  
10 counsel?

11 A. I can't remember the specific news  
12 sources or articles written in the -- in the press,  
13 in the -- about the case.

14 Q. But you didn't consider those articles in  
15 forming your opinions in this case because they're  
16 not listed in Exhibit B to your report. Right?

17 MR. SYLVESTER: Objection; form.

18 A. The -- the documents considered to  
19 complete my report are in this list.

20 Q. Right. And that list does not include  
21 news articles about this litigation. Correct?

22 A. I can go through and kind of go one by  
23 one and explain what the -- what they are. But  
24 there are certainly news articles here about digital  
25 assets. I don't know -- I can't remember a specific

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2 article that I read that -- that you're asking about  
3 this case. And since I didn't list it in here, it  
4 wasn't part of my -- part of the data that I used  
5 to -- to form my expert opinion.

6 Q. So to be clear, you did not consider news  
7 articles about this litigation in forming your  
8 opinions in this case. Right?

9 A. There are certainly news articles listed  
10 in this -- in this list.

11 Q. That's not my question. My question  
12 is --

13 MR. SYLVESTER: Please let him finish  
14 his answer.

15 A. The -- again, I think we -- we could go  
16 through this list and look at what each of these  
17 articles is about, but I don't feel comfortable  
18 characterizing every word -- every article that's in  
19 here, whether one of those talks about the  
20 litigation or not. I mean, I'm not -- I'm not  
21 really prepared to -- I can't remember specifically  
22 every word that's in these articles. I can't really  
23 say whether that's true or not.

24 Q. Why don't you read Exhibit B to yourself  
25 and tell me if you see any news articles about this



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2 litigation listed in Exhibit B -- I'm sorry,

3 Appendix B to your report, Exhibit 3 --

4 A. Exhibit 3. Right?

5 Q. -- to your deposition.

6 A. This one?

7 Q. Yes.

8 A. (Pause.)

9 Okay. None of the items in my list, at  
10 least in titles, appear to reference the litigation  
11 itself.

12 Q. So turning back to Exhibit 1 in  
13 Paragraph 2, how did you come up with that date  
14 range for the issuance period of 2013 to the filing  
15 of the complaint on December 22nd, 2020?

16 MR. SYLVESTER: Again, I'm going to  
17 instruct you to the extent that you learned that  
18 conversation through conversations with counsel, not  
19 to answer to the extent it reveals conversations  
20 with counsel. If you learned that information from  
21 any other source you may have read, you're free to  
22 answer that.

23 MR. OPPENHEIMER: And, again, I think  
24 that's not a proper instruction for something  
25 disclosed to a testifying expert that he relied on

1 [REDACTED] - 2/16/2022

2 in his report, but let's --

3 MR. SYLVESTER: Yeah. I'm asking him  
4 just not to reveal any conversations with counsel.

5 If you learned this from reading a  
6 document, you're free to reveal that document that  
7 you were given -- that you obtained on your own or  
8 that you received from counsel.

9 A. What I can remember sitting here now is  
10 that this is, you know, part of -- part of the  
11 assignment was that date range.

12 Q. When you say "part of the assignment,"  
13 you mean part of the instructions that you received  
14 from the SEC?

15 A. So I mean the assignment of, you know,  
16 what I was asked to offer independent expert  
17 testimony is included in this description that I  
18 wrote about the assignment and part of that  
19 description that I wrote about the assignment is the  
20 time range. And so, you know, the time range that I  
21 was analyzing was -- was part of that assignment.

22 MR. SYLVESTER: Brad, can we take  
23 literally a two-minute break? I think this could be  
24 resolved briefly. I just need to consult with  
25 Mr. [REDACTED]

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2 MR. OPPENHEIMER: Sure.

3 MR. SYLVESTER: Thank you very much.

4 THE VIDEOGRAPHER: The time is 12:55.

5 We are off the record.

6 (Break.)

7 THE VIDEOGRAPHER: The time is 1:07

8 we are on the record.

9 Q. Mr. [REDACTED] did the SEC provide you with  
10 any factual assumptions that you relied on in  
11 forming your opinions in this case?

12 A. Nothing that I can remember. I think  
13 they gave me the assignment as listed here.

14 Q. Take a look at Exhibit 1, your report, at  
15 Page 6, Paragraph 8. The beginning of Paragraph 8,  
16 you write: The design of XRP is a fixed-supply  
17 coin, as well as statements made by Ripple, were  
18 consistent with promoting an investment-use case for  
19 XRP. Based on my experience in the digital asset  
20 space, I conclude that a reasonable purchaser would  
21 have had an expectation of future profit derived  
22 from the efforts of Ripple.

23 You see that?

24 A. Yes.

25 Q. And you're offering that opinion based on

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2 your experience in the digital asset space. Right?

3 A. In part, based on my experience in the  
4 digital asset space. In part, you know, this is the  
5 result of the, you know, total analysis that I did  
6 that I got put here in the report.

7 But I think, you know, I identified, you  
8 know, key factors that are important to reasonable  
9 purchasers of digital assets and that did come  
10 from -- from my experience in the digital asset  
11 space from both trading, the arbitrage strategies,  
12 and the discretionary trading strategies we talked  
13 about earlier.

14 I mean, I think that includes my  
15 experience in the -- the traditional financial space  
16 trading a variety of other asset classes like  
17 stocks, bonds, and FOREX and commodities. It  
18 includes my experience just interacting with, you  
19 know, market participants in the space, plus  
20 experience just kind of also on the noninvestment  
21 side being a user of blockchains, someone has just  
22 routinely used digital assets and blockchains  
23 before. I'm also extremely familiar with the  
24 blockchain space through the investigative work that  
25 I've done, fraud investigations and such.

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2 And then I think, you know, using that  
3 knowledge, identifying key factors that are  
4 important to reasonable purchasers and then  
5 collecting data that is relevant to that so that  
6 includes, you know, public statements by Ripple and  
7 by employees of Ripple and it also includes, you  
8 know, blockchain data and trading data and, you  
9 know, a variety of both written communications  
10 and -- and hard data along those lines and I think,  
11 you know, synthesizing those together to create an  
12 understanding of how a reasonable purchaser would  
13 interpret, you know, aspects of what Ripple and --  
14 did and what, you know, the design of XRP was to --  
15 to reach conclusions about, you know, how a  
16 reasonable purchaser would, you know -- how -- how  
17 those factors and that data was relevant to a  
18 reasonable purchaser.

19 Q. Was there anything other than the  
20 elements you just described that you were relying on  
21 to form your opinions in this case?

22 A. Everything I did I think is primarily,  
23 you know, laid out in the report. I think I just  
24 gave a very high-level overview of one piece of  
25 that. But, you know, there are -- there is a lot

1 [REDACTED] - 2/16/2022

2 more detail about the -- the work that went into  
3 that and the analysis in the rest of the report.

4 Q. Okay. And you don't have any academic  
5 training on digital assets. Right?

6 MR. SYLVESTER: Object to form.

7 A. I'm not exactly sure what you mean by  
8 that, whether I have academic training.

9 Q. Well, you don't have a degree in any  
10 field related to digital assets. Right?

11 MR. SYLVESTER: Object to form.

12 A. I think -- I might be wrong, but I think  
13 earlier we were talk- -- when you asked those  
14 questions, we were talking about, you know, digital  
15 assets as an investment or the financial aspects of  
16 that. But digital assets are, you know --  
17 blockchains generally rely on, you know,  
18 cryptographic cash functions and software and  
19 technology and algorithms and things like that that  
20 I learned a great deal about in getting a master's  
21 degree in electrical engineering.

22 And then after that -- after those  
23 degrees, like I mentioned on my CV, I worked as an  
24 engineer developing software, developing algorithms  
25 and learning about, you know, many different areas

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2 of expertise that are directly relevant to the  
3 blockchain space. So -- so I would disagree with  
4 that.

5 Q. So you have an engineering degree; you  
6 don't have a finance degree. Right?

7 A. That's correct.

8 Q. You don't have an economics degree.  
9 Right?

10 A. That's correct.

11 Q. You don't have a degree in any  
12 investment-related field. Right?

13 A. That's correct.

14 Q. Now, one of the things that you mentioned  
15 in that sentence we just read was the design of XRP  
16 as a fixed-supply coin as something that was  
17 consistent with promoting an investment-use case for  
18 XRP. Do you see that?

19 A. Yes.

20 Q. Bitcoin is also a fixed-supply coin.  
21 Right?

22 A. The supply of bitcoin changes over time.

23 Q. It is capped at a long-term maximum,  
24 isn't it?

25 A. I would say even still over the period of

1 [REDACTED] - 2/16/2022

2 time we've been talking here today -- it's been,  
3 what, four years -- there have been probably over  
4 that period of time 24ish block rewards at 6.25  
5 bitcoin each. So that's probably, you know, a large  
6 number of, you know, freshly mined bitcoin that have  
7 come into existence just since we've been sitting  
8 here at the table.

9 So I disagree with your assertion that's  
10 a fixed-supply coin. The supply has literally  
11 changed since we've been talking today.

12 Q. There is a long-term maximum on the  
13 number of bitcoins that will ever exist, isn't  
14 there?

15 A. The current consensus rules for that  
16 protocol, yes, dictate a 21 million maximum supply.  
17 Those can change and there have also been forks of  
18 the coin that have, you know, introduced differences  
19 to that.

20 Q. So the answer is yes, under the current  
21 consensus rules, there is a long-term maximum  
22 supply of bitcoins. Is that right?

23 MR. SYLVESTER: Object to form.

24 A. Under the current -- yes, under the  
25 current design of bitcoin, there is a maximum future



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2 supply, but the supply is constantly increasing. I  
3 mean, I think at some point way into the future, the  
4 block reward will actually be zero and that will  
5 cease to be true, but as of right now, the supply is  
6 going up over time.

7 Q. And that's true of Ethereum as well, that  
8 there is a long-term maximum number of Ether that  
9 will exist. Is that right?

10 A. That's correct.

11 MR. SYLVESTER: Objection; form.

12 A. The supply of Ether also grows over time,  
13 but I think, especially after the recent update, the  
14 mechanism in place for minting and burning tokens  
15 changes depending on the demand for block space.  
16 And so there are actually times when the opposite of  
17 that is true and the supply is decreasing.  
18 Sometimes the supply is increasing. The amount of  
19 the decrease or increase is variable so that changes  
20 over time. So it's theoretically possible to have  
21 long stretches of time where the supply of Ether is  
22 actually going down and other times there are going  
23 to be stretches of time when the -- when the supply  
24 goes up. But unlike XRP which has an initial value  
25 that's set and doesn't change and bitcoin which, as

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2 you identified, has kind of an upper bound but we're  
3 constantly increasing towards that bound, for  
4 Ethereum, it's a totally different matter. There  
5 is -- there is no target number that is a limit in  
6 either direction.

7 Q. You just said XRP has an initial value  
8 that's set and doesn't change. What do you mean by  
9 that?

10 A. I mean when the XRP Ledger and XRP tokens  
11 were created, there were -- a certain number of them  
12 were mined and that number exists in the world and  
13 hasn't changed since that point.

14 Q. So when you said "value" there, you were  
15 referring to the number of tokens, you weren't  
16 referring to price?

17 A. That's correct. I meant the number of --  
18 actually, I mistakenly said tokens, they're coins.  
19 The number of coins was -- was set kind of as a  
20 complete separate concept than the price. The  
21 number of coins was set at a point in time and  
22 hasn't changed since then.

23 Q. Is it your view that any cryptocurrency  
24 that has a fixed supply in which all of the existing  
25 coins exist from the outset is consistent with

1 [REDACTED] - 2/16/2022

2 promoting an investment use?

3 MR. SYLVESTER: Objection; beyond the  
4 scope.

5 A. I'd -- I'd have to think through the  
6 specifics of another asset that you have in mind.  
7 Just as a general principle, if there's a -- if  
8 there's a company or a product offering that has  
9 some economic activity on it and the supply of that  
10 coin or token is fixed, then, you know, increased  
11 participation in that, increased kind of value of  
12 economic activity taking place on that platform or  
13 using that token is linked to the price of the token  
14 if there is a, you know, a fixed supply in that  
15 token because the value of that economic activity,  
16 you know, is -- is sort of spread among that fixed  
17 and finite and constant supply of tokens.

18 So to the extent that a certain dollar  
19 value of assets needs to be reflected in that pool  
20 of tokens to facilitate that economic activity, the  
21 total kind of dollar value of that pool of tokens  
22 needs to grow or shrink to accommodate that economic  
23 activity.

24 And, you know -- you know, the concept  
25 I'm getting across here, and I think it holds

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2 generally but not in every possible situation  
3 because I can imagine some -- you know, I can't  
4 consider every possible scenario how that could be  
5 different, is that, yeah, in fact, the -- the fixed  
6 supply basically provides that linkage between the  
7 value of the economic activity happening on the coin  
8 and on the platform with the -- the price of the  
9 token.

10 Basically, if you don't have that fixed  
11 supply, then the market cap of the token can shrink  
12 or grow without directly impacting the price of a  
13 single coin.

14 Q. Do you know approximately how many  
15 bitcoins are in existence today?

16 A. I'm -- I'm going to be guessing. As of  
17 right now, I think it's probably something like 16  
18 million.

19 Q. And do you know approximately how many  
20 bitcoins are mined everyday?

21 A. 6.25 times 6 times 24. Whatever that  
22 number is.

23 Q. Don't look at me.

24 A. Statistically, that's how many are going  
25 to be mined everyday. The actual number will be

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2 different. You could have a scenario where many  
3 fewer than that are mined or more than that are  
4 mined on a given day. I mean, not just could, in  
5 fact, that is the case. Everyday it's going to be a  
6 different number. But kind of statistically  
7 speaking, as an average over time, it's 6.25 times 6  
8 times 24.

9 Q. So something in the ballpark of 1,000  
10 coins per day?

11 A. Let me think for a second.

12 Yeah, that sounds about right.

13 Q. Is it your view that where there's about  
14 16 million bitcoin already in existence, a change of  
15 1,000 new bitcoins per day severs the link between  
16 economic activity and the price of bitcoin that you  
17 were just discussing?

18 MR. SYLVESTER: Objection; beyond the  
19 scope.

20 A. I think over time this issue of the --  
21 the growth of the number of tokens has actually been  
22 extremely important to many market participants and  
23 has been hotly debated. And I think, yeah,  
24 generally you would find many people to take, you  
25 know, great importance into the exact number of how

1 [REDACTED] - 2/16/2022

2 many coins are mined each day.

3 I mentioned just a minute ago, the idea  
4 that on the Ethereum blockchain, the growth of that  
5 is kind of variable over time and I don't mean in a  
6 statistical sense like I just mentioned with  
7 bitcoin, but I mean, that's -- the actual number can  
8 increase or shrink and -- and, you know, this has  
9 been a -- a huge deal and part of, you know,  
10 people's investment thesis even about -- about Ether  
11 that if -- now that there's a mechanism that allows  
12 the number of coins to shrink over time during  
13 certain periods that, you know, that can be a really  
14 important factor for making a decision whether to  
15 invest or not.

16 Certainly, I would say that when you have  
17 something that's worth \$44,000 a coin like bitcoin,  
18 and you mentioned, you know, roughly a thousand new  
19 coins per day, all is equal, there needs to be  
20 another \$44 million of demand for that asset to kind  
21 of keep things in equilibrium. So it's very  
22 significant that the number of tokens changes over  
23 time.

24 But I mean, I think it's -- if you're  
25 looking at that analysis the way I kind of put it

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2 out that there's a certain time -- I think in time  
3 there's a market cap of the coins and you divide  
4 that market cap by the number of tokens.

5 To the extent that somebody has an idea  
6 of what the value of the protocol or the blockchain  
7 should be, the number of coins is, you know,  
8 directly linked to that -- to that number, and so if  
9 it's a fixed supply, the -- over time, then the  
10 economic value of the entire protocol or the entire  
11 blockchain is directly proportional in that case to  
12 the price of the token. So there is a proportional,  
13 direct, consistent linkage there.

14 And I think you're talking about in  
15 bitcoin and certainly in Ethereum, that linkage  
16 is -- is variable, but certainly the number of  
17 tokens is hotly debated and is a -- the maximum cap  
18 on bitcoins is the reason why many people say  
19 that -- they would point to that as a reason to  
20 invest in the token.

21 Q. Are you familiar with the concept of  
22 market efficiency?

23 A. Yes.

24 Q. In your view are large cap digital asset  
25 markets efficient?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Objection; beyond the  
3 scope.

4 A. There are different types of market  
5 efficiency. Even as an academic topic, there's, you  
6 know weak-form efficient markets, strong-form  
7 efficient markets and, colloquially, people use that  
8 term in many different ways. So I really have no  
9 idea how you're specifically using that term when  
10 you're asking me the question, are large cap digital  
11 assets efficient? Can you kind of hone in on which  
12 version of market efficiency you have in mind?

13 Q. Why don't we start with weak-form  
14 efficiency. Do you believe that digital asset  
15 markets are weak-form efficient?

16 MR. SYLVESTER: Objection; beyond the  
17 scope.

18 A. As a general principle, I would say that  
19 the fact that I am -- spent so much time doing  
20 arbitrage in the cryptocurrency space, would suggest  
21 that there are inefficiencies in the digital asset  
22 space.

23 Q. Okay.

24 A. Because if the inefficiencies didn't  
25 exist then there wouldn't be a large profit pool



1 [REDACTED] - 2/16/2022

2 available for arbitrage.

3 Q. As a general principal, if a market is  
4 efficient, you wouldn't be able to arbitrage  
5 successfully in it. Is that right?

6 MR. SYLVESTER: Objection; beyond the  
7 scope.

8 A. Arbitrage profits are linked to the  
9 inefficiencies that exist in a digital asset space,  
10 yes.

11 Q. And because you've been able to achieve  
12 significant profits through arbitrage, your view is  
13 that there are inefficiencies in the digital asset  
14 markets. Correct?

15 MR. SYLVESTER: Objection; beyond the  
16 scope.

17 A. So you're asking me, are there right now?  
18 I mean, that covers a lot of different assets and,  
19 you know, my activity in the space covers a lot of  
20 different time and a lot of different assets.

21 There's certainly been periods of time  
22 when there were no arbitrage opportunities available  
23 for certain assets and there were periods of time  
24 when there were large opportunities available -- I'm  
25 sorry -- arbitrage opportunities available for

1 [REDACTED] - 2/16/2022

2 certain assets.

3 So there's really a different answer for  
4 that, at different points in time and for different  
5 assets. It's -- it's hard to make an overarching  
6 statement about how efficient the cryptocurrency  
7 markets are.

8 Q. If you look at Paragraph 8 in your  
9 report, Exhibit 1, that same sentence we've been  
10 looking at you first mention: The design of XRP is  
11 fixed-supply coin.

12 Then you say: As well as statements made  
13 by Ripple.

14 How did you select which of Ripple's  
15 statements to analyze and opine on in this report?

16 A. I generally searched through Ripple's  
17 public statements and any statements that I could  
18 find that -- that I came across on kind of known  
19 platforms, especially social media platforms, but  
20 also statements that I found through interviews and  
21 speeches, things like that.

22 Q. So you went and looked for all these  
23 statements yourself?

24 A. I looked for statements personally, yes.

25 Q. Did the SEC provide you any statements

1 [REDACTED] - 2/16/2022

2 for you to consider?

3 A. I don't remember any specific statements  
4 that were given to me by the SEC about this.

5 Q. I'm not asking you if you remember which  
6 specific ones. My question is, did the SEC provide  
7 you any statements for you to consider in forming  
8 your opinions?

9 A. I don't remember.

10 Q. Does Exhibit B to your report, that is  
11 Exhibit 3 in the deposition, does [REDACTED] Exhibit 3  
12 include every statement by Ripple that you  
13 considered in forming your report --

14 A. So --

15 Q. -- your opinion --

16 A. -- as I mentioned earlier, I'm very  
17 confident that this covers all of the websites and  
18 sources. I think on a individual website here like,  
19 you know, Twitter is mentioned, for instance, there  
20 were other individual Twitter threads that -- that I  
21 read. But maybe every single thread isn't listed  
22 here, but certainly all of the -- certainly all the  
23 general, you know, platforms where I drew this  
24 information are listed on this.

25 Q. Your report cites about 40 statements by

1 [REDACTED] - 2/16/2022

2 Ripple in all. You know, I'm not asking you to  
3 count them up, I'm just telling you I have counted.  
4 There are about 40.

5 Did you look for any statements by Ripple  
6 beyond those roughly 40 that would have shown that  
7 Ripple was promoting any activities in a way that  
8 was not consistent with an investment-use case?

9 MR. SYLVESTER: Object to form.

10 A. There was many statements by Ripple.  
11 Some of those ended up in the report, some of those  
12 didn't. I think there are additional statements by  
13 Ripple or by Ripple employees that suggest an  
14 investment-use case. I think I have talked about --  
15 I have included statements in here that speak to  
16 noninvestment-use cases as well. There's like a  
17 combination.

18 So I guess I would say that that sort of  
19 mischaracterizes what's in the report, because there  
20 is a combination of investment -- known  
21 investment-use cases that show up in the quotes, and  
22 there are also investment and noninvestment cases  
23 that show up outside of those quotes. There are  
24 also many statements by Ripple and individuals  
25 related to Ripple that are talking about a wide

1 [REDACTED] - 2/16/2022

2 variety of topics that are either irrelevant or have  
3 nothing to do with this analysis.

4 But as I mentioned, I kind of -- I set  
5 forth a list of important factors that are  
6 considered by reasonable purchasers, and those  
7 important factors are based on my understanding of  
8 the space and my involvement in the space, both as a  
9 user of blockchains and investor in the space.

10 And, you know, I try to -- to focus on  
11 statements that were -- you know, informed the --  
12 the understanding of reasonable purchasers regarding  
13 those important factors that they might consider.

14 Q. So you set out the list of important  
15 factors that you believe are considered by  
16 reasonable purchasers, and then look to see if there  
17 were Ripple statements regarding those factors. Is  
18 that right?

19 A. The -- the -- well -- I -- I can't -- I  
20 can't tell if you're trying to get at, like, a --  
21 are you trying to get at a chronology of which one  
22 happens first, or are you trying to get at, like, a  
23 completeness of whether there is a statement that  
24 exists in the world that's responsive to one of  
25 those factors, or I can't exactly tell what you're

1 [REDACTED] - 2/16/2022

2 asking me about here.

3 Q. The question is about how you went about  
4 finding these statements by Ripple that you quote in  
5 the report, and so I'm asking: Based on the answer  
6 you just gave, it sounded like what you were saying,  
7 and you can tell me if I have this  
8 wrong -- withdrawn. Let me ask a good question.

9 From your testimony, it sounds like the  
10 way you found these statements was that you set out  
11 the list of important factors that you believe are  
12 considered by reasonable purchasers, and then you  
13 looked to see if there were Ripple statements  
14 regarding those factors. Is that right?

15 A. I'd say that's -- that's generally the --  
16 yeah, the approach I took. I mean I think that a  
17 more detailed explanation of my approach and my  
18 findings are -- there is a lot more to it than that,  
19 because there is a, you know -- a 50-page report  
20 about that here.

21 But, yes, generally, I -- I identified  
22 factors that are important to reasonable purchasers,  
23 based on my experience in the space. And I have  
24 included -- searched for data, searched for  
25 communications that were made and, you know, part of

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2 that is also a synthesis of my understanding of how  
3 the blockchain works.

4 I mean, we have talked also about the  
5 design of XRPs, the fixed-supply coin, so some of  
6 that is from the blockchain analysis itself, some of  
7 that is from the communications that have been made  
8 by Ripple and by some Ripple employees. And to the  
9 extent that those statements in one direction or  
10 another, you know, related to these topics, then,  
11 you know, I -- I included those.

12 Q. Sitting here today, you don't know how  
13 many total public statements Ripple made between  
14 2013 and 2020, do you?

15 A. I don't know.

16 Q. And you don't know what percentage of  
17 Ripple's total public statements the ones in your  
18 report constitute, do you?

19 A. I don't know.

20 Q. You don't know if it's less than a  
21 fraction of a percent of total public statements?

22 A. I --

23 MR. SYLVESTER: Object to form.

24 Go ahead.

25 A. I don't know how many public statements

1 [REDACTED] - 2/16/2022

2 have been made by Ripple.

3 Q. Did you look for statements -- sorry.

4 Did you look for statements by Ripple that do not  
5 support your conclusions in the report?

6 A. I think I've --

7 MR. SYLVESTER: Object to form.

8 Go ahead.

9 A. -- I've addressed areas in my report  
10 where, for instance, the statements or the design  
11 factors would relate to utility users, and I think  
12 there are times in the report where I talk about how  
13 those statements or design factors would actually be  
14 beneficial towards utility purchasers.

15 So I would -- I would disagree with the  
16 characterization of the report, that there is  
17 nothing in any of those statements that -- that  
18 support utility usage or noninvestment  
19 considerations by reasonable purchasers.

20 Q. So you agree that Ripple made public  
21 statements that were not targeted at an investment  
22 purpose. Is that right?

23 MR. SYLVESTER: Objection;  
24 mischaracterizes his testimony.

25 A. I think Ripple's made statements about



1 [REDACTED] - 2/16/2022

2 all kinds of things, and I certainly don't have  
3 every statement that Ripple made in this report. As  
4 you mentioned, Ripple has many other public  
5 statements. Not every one of those statements is in  
6 the report.

7 Those statements are about many  
8 different -- many different things, but I'm -- I'm  
9 specifically looking to synthesize an understanding  
10 of how their statements and their actions and the  
11 design of their platform and software relate to  
12 the -- the factors that I've put forth.

13 Q. Did you look for any --

14 MR. SYLVESTER: And just -- sorry.  
15 I think we might be at a good point to take a lunch  
16 break sometime soon. I think we've been going for  
17 about an hour, even notwithstanding my two-minute --  
18 two-minute break.

19 MR. OPPENHEIMER: I have a few more  
20 in this line, but I agree we can break pretty soon.

21 MR. SYLVESTER: Okay.

22 Q. Did you look for any statements by Ripple  
23 that are inconsistent with an investment-use case?

24 A. I looked -- as I mentioned earlier, I  
25 looked for -- I looked through many, many

1 [REDACTED] - 2/16/2022

2 statements. I looked for as many sources and  
3 statements as I -- that I could find. And I looked  
4 through many on a variety of topics.

5 Q. But you only considered the ones that are  
6 listed in Appendix B to your report. Right?

7 A. I --

8 MR. SYLVESTER: Objection.

9 Go ahead.

10 A. -- don't think there is a difference in  
11 the two sets that I was talking about just now. I  
12 think maybe I should hone down what you mean by  
13 "public statements," but public statements can be  
14 made in a variety of places. Some of them -- those  
15 don't always get recorded in a place where I can  
16 even access them or see them. But I searched for  
17 public statements. The ones I found that are on  
18 this -- on this list.

19 Q. Since you didn't consider the SEC's  
20 complaint in this case, I take it you don't know  
21 whether the complaint alleges that there were  
22 particular statements that would have led purchasers  
23 of XRP to expect profits, based on Ripple's efforts?

24 A. So wait. Sorry. Say that -- say the  
25 question again, what I was looking for in the -- in

1 [REDACTED] - 2/16/2022

2 the statement of the complaint.

3 Q. Yeah.

4 Since you didn't consider the SEC's  
5 complaint in this case, I take it you don't know  
6 whether the complaint alleges that there were  
7 specific statements that would have led purchasers  
8 of XRP to expect profits, based on Ripple's efforts?

9 A. I think --

10 MR. SYLVESTER: Object to form.

11 But you can answer.

12 A. -- you made an assumption that I don't  
13 know what's in the complaint, and I would disagree  
14 with that.

15 Q. Did you consider the complaint in forming  
16 your opinion in this case?

17 A. The documents that I -- that informed my  
18 analysis are on this report.

19 Q. So the complaint did not inform your  
20 analysis, because it's not listed in Appendix B of  
21 Exhibit 3. Is that right?

22 A. So what I'm trying to get at, and I think  
23 this goes back to what we were talking about  
24 earlier, is you're making an assumption about  
25 whether or not I've seen the complaint -- you're

1 [REDACTED] - 2/16/2022

2 asking different questions about whether I've seen  
3 it or whether I've, you know, pulled from it to, you  
4 know, write my report, and those are different  
5 questions. So I -- I'm getting confused as to  
6 exactly about --

7 Q. In the --

8 (Simultaneous speaking.)

9 A. -- if you're asking me if I've seen it or  
10 read it or --

11 (Simultaneous speaking.)

12 Q. Let me ask the question again. I think  
13 it's pretty straightforward. The complaint did not  
14 inform your analysis in this expert report, because  
15 it's not listed in Appendix B to your report. Is  
16 that right?

17 MR. SYLVESTER: Objection; form.

18 A. The reason I'm confused is you just asked  
19 the question about whether -- you said you assumed I  
20 hadn't seen what was in the complaint, and you're  
21 also asking about whether it was the basis for my  
22 findings.

23 And I think you're asking me those -- if  
24 those are the same -- the premise of your question  
25 implies that those are the same thing, but they're

1 [REDACTED] - 2/16/2022

2 not, and I'm honestly just confused about what --  
3 specifically, you're trying to ask me about what  
4 I've seen in the complaint or not.

5 Q. I'm asking you to just take it one  
6 question at a time.

7 A. Okay.

8 Q. I'm asking you one question right now.  
9 My question is, the complaint did not inform your  
10 analysis in this expert report, Exhibit 1, because  
11 it's not listed in Appendix B to your report,  
12 Exhibit 3. Isn't that right?

13 A. So --

14 MR. SYLVESTER: Objection; form.  
15 Go ahead.

16 A. -- I -- I've -- I think what we're  
17 dancing around here is I've read the complaint, so  
18 I've seen information that was in the complaint.

19 Q. Uh-huh.

20 A. And I think earlier you asked me a  
21 question if -- you said you assumed that I hadn't,  
22 so that's not correct. I have seen it.

23 You were also asking me if that was how I  
24 found out certain information, and so that's why  
25 I'm -- I'm trying to answer your questions

1 [REDACTED] - 2/16/2022

2 accurately, but I'm honestly confused about whether  
3 you're asking me whether I've seen something, if  
4 whether it's the first time I've seen something, or  
5 whether it was something that I -- I know what's in  
6 there, or if I can even remember what's in there  
7 right now.

8 I would generally say I've read the  
9 complaint. It -- I -- I can't, sitting here without  
10 it in front of me, tell you everything that's in it.  
11 If you wanted to ask me about a specific point in  
12 there, it's -- it's -- I guess an easy way to say it  
13 is it's not -- the complaint's not cited in my  
14 report.

15 Q. So you did read the complaint before you  
16 wrote your expert report in this case. Right?

17 A. Yes.

18 Q. But you didn't consider what it was  
19 saying in connection with forming your opinions. Is  
20 that right?

21 A. I haven't cited the report -- sorry -- I  
22 haven't cited the complaint in the report, and I  
23 don't think that it was something that information  
24 in the report formed any of my expert opinion about  
25 this. So it wasn't -- it wasn't a consideration in

1 [REDACTED] - 2/16/2022

2 doing my analysis and methodology that I've lined  
3 out. The methodology and analysis that I lined out  
4 was based on my experience and based on the, you  
5 know, data that I've collected.

6 Those are the sources that are in my  
7 appendix here. It doesn't mean that I've -- there  
8 is probably other times in my life I've seen a  
9 document that had to do with Ripple. That doesn't  
10 mean I'm not -- haven't seen it, but that means that  
11 it hasn't, you know, impacted my conclusions in the  
12 report that I wrote.

13 Q. So even though you read it, you didn't  
14 consider what the complaint said in forming your  
15 expert opinions in this case. Is that right?

16 MR. SYLVESTER: Object to form.

17 A. I feel like there is a specific legal  
18 definition here of "consider" that maybe I'm not  
19 understanding. But I think I already explained it,  
20 that, you know, I've read it. I can't, sitting here  
21 right now, remember exactly what's in it. So I  
22 don't know if there is a particular part of the  
23 complaint that you're referring to, but, you know,  
24 the -- the materials that form the basis of my  
25 conclusion are, you know, cited in my report and

1 [REDACTED] - 2/16/2022

2 listed in this appendix.

3 Q. Did you read the amended complaint?

4 A. Yes.

5 Q. Did you ever do any comparison of the  
6 amended complaint to the original complaint?

7 A. Honestly, right now it's been so long  
8 since I've read either that I couldn't tell you what  
9 the specific differences are in the two.

10 Q. Did you -- let's see.

11 Have you deleted any tweets from your  
12 Twitter account since the time you were retained as  
13 an expert in this case?

14 A. I use TweetDelete, so throughout the  
15 course of my entire Twitter history my tweets are  
16 regularly deleted for the past -- going back past  
17 six years, I think, that they last a week or  
18 something. I can't remember exactly how long.  
19 Probably seven days.

20 Q. Have you taken any steps to disable  
21 TweetDelete since you were engaged as an expert in  
22 this case?

23 A. No.

24 Q. Do you know what tweets were deleted  
25 since you became an expert in this case?



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2 A. No.

3 Q. Why do you use TweetDelete?

4 A. I'm not under my real name on Twitter.

5 My point of being there is not to build a brand or

6 promote a company or product. I don't -- I don't

7 intend to keep a -- you know, a chronological, you

8 know, publicly accessible record of everything.

9 It's really more meant to be a platform that I can

10 just have conversations.

11 Q. Do you know whether your Twitter account  
12 is protected?

13 A. Yes.

14 Q. Is it?

15 A. Yes.

16 Q. When did you protect your Twitter  
17 account?

18 A. It's been protected on and off throughout  
19 the entire period that I've ever had the account.

20 So that's, again, going back -- I think I started an  
21 account in 2016. And I'd say that it's been

22 protected for the majority of that time. And I

23 think there have been times when I needed to talk to

24 an individual person and that required unprotecting

25 and protecting again. But I couldn't tell you

1 [REDACTED] - 2/16/2022

2 exactly when or how many times.

3 Q. Do you know when you most recently  
4 protected your account?

5 A. No.

6 Q. Would it surprise you to learn that it  
7 was in October of 2021 after you submitted your  
8 expert report in this case?

9 MR. SYLVESTER: Objection; form.

10 A. I don't remember when it was.

11 Q. Do you have any reason to disagree with  
12 the suggestion that it was in October of 2021?

13 MR. SYLVESTER: Objection; calls for  
14 speculation.

15 A. I don't remember when it was.

16 Q. That wasn't my question. My question was  
17 do you have any reason to disagree that it was in  
18 October of 2021?

19 MR. SYLVESTER: Objection; calls for  
20 speculation.

21 A. I don't know what you mean by that, but I  
22 don't remember when it was.

23 MR. SYLVESTER: And, Brad, we've been  
24 going for probably another ten, so can we take a  
25 lunch break?

1 [REDACTED] - 2/16/2022

2 MR. OPPENHEIMER: Less than three  
3 questions and we can break.

4 MR. SYLVESTER: Okay.

5 Q. Would you be willing to give defendants  
6 access to your Twitter account, not as in to run the  
7 account, but access to read the posts from your  
8 Twitter account in this case?

9 MR. SYLVESTER: Objection; form.

10 A. I don't understand. As we just said, I  
11 use TweetDelete. So the tweets are regularly,  
12 automatically deleted without my input.

13 Q. Do you know if there are any tweets on  
14 your account that have not yet been deleted as we  
15 sit here today?

16 A. I believe that there are no tweets on  
17 there that have not been deleted. I don't use  
18 Twitter that often, so I'm pretty sure that the --  
19 I'm very confident that the last time I used it was  
20 so long ago that it would have been deleted. It's  
21 probably been -- well, it's been much more than  
22 seven days.

23 Q. Okay. Do you recall when the last time  
24 was that you used it?

25 A. I would guess it was --

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Objection; form.

3 "Used it"? Are we talking about

4 Twitter?

5 MR. OPPENHEIMER: Sorry. Yes.

6 Q. When was the last time you made a post  
7 through your Twitter account?

8 A. That I posted? I believe it was in 2021.

9 MR. OPPENHEIMER: Okay. We can go  
10 off the record.

11 THE VIDEOGRAPHER: The time is 1:45.  
12 We are off the record.

13 (Break.)

14 THE VIDEOGRAPHER: The time is 2:37.  
15 We are on the record.

16 Q. Mr. [REDACTED] I want to go back to digital  
17 assets that you or [REDACTED] have purchased in the  
18 past. I think you've already said that both you and  
19 [REDACTED] at one point had purchased [REDACTED] and  
20 [REDACTED] Is that right?

21 A. [REDACTED] and [REDACTED] yes.

22 Q. [REDACTED] Thank you.

23 Did you or [REDACTED] ever purchase

24 [REDACTED]

25 MR. SYLVESTER: Object to form.

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2 A. Yes.

3 Q. How about [REDACTED]

4 A. I don't think so. I don't believe I did.

5 Q. And when you say you don't believe "you"  
6 did, is that you personally or both you and [REDACTED] --

7 A. Sorry. I meant for both me personally  
8 and for [REDACTED]. I don't believe I ever have.

9 Q. Okay. What about [REDACTED]?

10 MR. SYLVESTER: Object to form.

11 A. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

15 Q. Have you or [REDACTED] ever owned Steam?

16 A. I don't think so.

17 Q. What about [REDACTED]

18 A. I don't think so.

19 Q. What about [REDACTED]

20 A. I don't think so.

21 Q. What about [REDACTED]

22 A. I don't believe so.

23 Q. How about [REDACTED]

24 A. I don't believe so.

25 Q. [REDACTED]

1 [REDACTED] - 2/16/2022

2 A. Yes.

3 Q. [REDACTED]

4 A. Yes.

5 Q. [REDACTED]

6 A. Yes.

7 Q. [REDACTED]

8 A. I assume you meant [REDACTED] but...

9 Q. I'm sorry. [REDACTED] You're right. Yes,  
10 [REDACTED] just to be clear.

11 THE STENOGRAPHER: I can't hear. I  
12 need to go off the record.

13 MR. OPPENHEIMER: Okay. Let's go off  
14 the record.

15 THE VIDEOGRAPHER: The time is 2:39.  
16 We are off the record.

17 (Break.)

18 THE VIDEOGRAPHER: The time is 2:40.  
19 We are on the record.

20 Q. Have you or [REDACTED] ever owned [REDACTED]

21 MR. SYLVESTER: Object to form.

22 A. Yes.

23 Q. How about [REDACTED]

24 MR. SYLVESTER: Object to form.

25 A. Yes.

1 [REDACTED] - 2/16/2022

2 Q. How about [REDACTED]

3 MR. SYLVESTER: Object to form.

4 A. I don't think so.

5 (Exhibit 4 was marked.)

6 Q. I'm going to show you a document that  
7 we'll mark as [REDACTED] Exhibit 4. This is the SEC's  
8 first amended complaint in this case. And I'll  
9 direct you to Paragraph 331. You can feel free to  
10 read whatever you need for context, but I'm asking  
11 specifically about a quotation from that paragraph.

12 Paragraph 331 quotes a tweet by Ripple,  
13 saying, quote, the price of #XRP continues to surge,  
14 showing that people are looking for #bitcoin  
15 alternatives, end quote.

16 That wasn't one of the statements that  
17 you relied on or that you considered in forming your  
18 opinion in this case, was it?

19 MR. SYLVESTER: Object to form.

20 A. I don't believe -- I have to go back and  
21 read through my report, but I don't think that  
22 specific tweet was quoted in my report.

23 Q. How about if you turn to Paragraph 252.

24 A. 252?

25 Q. Yeah, 252. There is a paragraph -- there

1 [REDACTED] - 2/16/2022

2 is a quotation in Paragraph 252 saying: On  
3 January 21st, 2017, Cryptographer-1 represented in  
4 the XRP chat that Ripple was, quote, heavily  
5 focused, end quote, on, quote, building up an  
6 awesome payments infrastructure, end quote, using  
7 XRP, and had, quote, several strategies, end quote,  
8 to do so.

9 You did not consider that statement by  
10 Ripple in connection with forming your opinion in  
11 this case, did you?

12 A. I did not include that statement in my  
13 report.

14 Q. Okay. Did you review drafts of any other  
15 experts' reports in this case?

16 A. No.

17 Q. Do you know if any other experts reviewed  
18 drafts of your reports --

19 A. Actually let me just clarify. I've read  
20 the reports that I made rebuttals to. I guess that  
21 would be -- not be a draft, though. Right? That  
22 would be a final product. I guess I'm just trying  
23 to clarify. I've read other expert reports because  
24 I've read the ones that I've basically offered a  
25 rebuttal opinion against.



1 [REDACTED] - 2/16/2022

2 Q. Have you read any draft or final reports  
3 of any other SEC experts in this case?

4 A. No.

5 Q. Have you spoken with any other SEC  
6 experts in this case?

7 A. Yes.

8 Q. Which ones?

9 A. [REDACTED] and [REDACTED]

10 Q. Let's start with Dr. [REDACTED] Do you  
11 know if he is affiliated with Integra?

12 MR. SYLVESTER: Object to form.

13 A. He's not an employee of Integra.

14 Q. When did you speak with Dr. [REDACTED] about  
15 this case?

16 A. I can't remember the exact dates, but it  
17 would have been sometime in spring of 2021, I think.

18 Q. So before you wrote your report?

19 A. Before I wrote my report, yeah.

20 Q. What did you discuss with Mr. [REDACTED]  
21 when you spoke with him?

22 A. We discussed -- you know, we're trying to  
23 help find somebody who would be a blockchain expert.  
24 So I had discussions with him to kind of just  
25 establish that he was knowledgeable in the

1 [REDACTED] - 2/16/2022

2 blockchain space and that he knew about, you know,  
3 blockchain technology.

4 Q. Did you have any further conversations  
5 with him after that one?

6 A. I can't remember exactly, but I think  
7 that we talked twice. Two -- I think two times,  
8 yeah.

9 Q. What did you speak with him -- what did  
10 you talk about with him during the second time you  
11 spoke?

12 A. It was the same topics of conversation.

13 Q. I apologize. I don't think I've asked  
14 this yet, but if I'm duplicating, my mistake.

15 Do you know if any of the SEC's other  
16 experts reviewed drafts of your opinion in this  
17 case?

18 A. I don't know.

19 Q. Have you spoken about this case with  
20 anyone outside of the SEC or Integra other than  
21 Dr. [REDACTED]

22 A. Anyone outside of Integra or the SEC  
23 besides Dr. [REDACTED] I don't think so.

24 I mean, I guess I'm talking to you about  
25 it now so that would actually have to be a yes. I

1 [REDACTED] - 2/16/2022

2 don't think any of you work at Integra or

3 Dr. [REDACTED] Sorry.

4 Q. Before today, other than your  
5 conversation with Dr. [REDACTED] you didn't speak  
6 about this case with anyone outside of the SEC or  
7 Integra. Is that right?

8 A. I don't think so.

9 Q. Okay. You said you also had

10 conversations about this case with Dr. [REDACTED]

11 When did you have those conversations?

12 MR. SYLVESTER: Objection;  
13 mischaracterizes testimony.

14 A. Yeah. You didn't ask me if I had  
15 conversations about this case with Dr. [REDACTED] You  
16 asked if I spoke to any experts in this case.

17 Q. I see.

18 Have you spoken with Dr. [REDACTED] about  
19 this case?

20 A. Not anything about substantive details.  
21 I mean, we work at the same company, so at times,  
22 I'm sure we've had conversations like scheduling  
23 and, like, are you -- you know, we've discussed, you  
24 know, declines of when reports are due or when  
25 depositions are going to be and stuff like that.

1 [REDACTED] - 2/16/2022

2 But I haven't discussed my analysis in this case  
3 with him.

4 Q. When was the last time you spoke with  
5 Dr. [REDACTED]

6 A. I think it would have been two days ago.

7 Q. And did you discuss this case at that  
8 time?

9 A. No.

10 Q. Have you reviewed the transcripts of any  
11 expert witness deposition in this case?

12 A. Yes.

13 Q. Which experts' transcripts have you  
14 reviewed?

15 A. Professor Osler.

16 Q. Anyone else?

17 A. I think that's it.

18 Q. Have you reviewed the transcripts of any  
19 fact depositions -- fact witness depositions in this  
20 case?

21 A. No.

22 Q. I take it from your earlier testimony you  
23 did not review Dr. [REDACTED] expert report. Is that  
24 right?

25 A. That's right.

1 [REDACTED] - 2/16/2022

2 Q. So you don't know if the statements that  
3 you describe by Ripple in your report are the same  
4 as those that Dr. [REDACTED] describes in his report?

5 A. I -- I don't know who Dr. [REDACTED] is or that  
6 he even wrote a report, so I have no idea.

7 Q. Okay. When you trade in digital assets,  
8 either personally or through [REDACTED], do  
9 you consider the terms of contracts involving other  
10 holders of that same digital asset?

11 MR. SYLVESTER: Objection; form.

12 A. I don't understand what you're asking.

13 Q. When you or [REDACTED] makes trades  
14 in digital assets, you consider a variety of factors  
15 in deciding whether you're going to make the trade.  
16 Right?

17 A. Correct.

18 Q. Are contracts involving other individuals  
19 or entities who hold that same digital asset one of  
20 the things that you or [REDACTED] consider in deciding  
21 whether to make those trades?

22 MR. SYLVESTER: Object to form.

23 A. So, honestly, I don't understand what  
24 you're asking me. Do I consider contracts that are  
25 held by other people?

1 [REDACTED] - 2/16/2022

2 Q. Do you think that the terms of a contract  
3 between third parties can be a source of purchaser's  
4 expectations about potential profits from a digital  
5 asset purchase?

6 MR. SYLVESTER: Object to form;  
7 vague.

8 A. You have to give me an example of what  
9 we're talking about because I -- I honestly don't  
10 understand what type of scenario you're -- you're  
11 trying to discuss.

12 Q. In forming your -- your opinion in this  
13 case, did you look at the terms of any of Ripple's  
14 contracts with any other buyer of XRP?

15 A. Yes.

16 Q. Which contracts did you look at?

17 A. There are a variety so I can't remember  
18 all of them right here, but I think, you know, some  
19 of those are discussed and footnoted in the report  
20 specifically.

21 Q. Take a look at Exhibit 3, which is  
22 Appendix B to your opening report. Do you see any  
23 contract listed in Appendix B of your report?

24 A. (Pause.)

25 So I know that there are some contracts

1 [REDACTED] - 2/16/2022

2 listed in the -- the footnotes and I'm not sure if  
3 one of those is the same thing I'm looking at here  
4 because I think that any of those would have a Bates  
5 number on them so I can't see the title beyond the  
6 Bates number. I'm not sure, looking at this, if one  
7 of those contracts is one of these examples or not.  
8 I'm pretty sure that there are places in the report  
9 where that's described in a -- in a footnote,  
10 though. That's the type of document that I was  
11 referring to there.

12 (Discussion off the written record.)

13 Q. Can you point me to any footnote in your  
14 report that cites a Ripple contract in Exhibit 1?

15 A. Sure. Let me look.

16 (Pause.)

17 No, I don't see any. I think I might  
18 have been confused and maybe it's in the rebuttal  
19 report.

20 Q. Okay.

21 A. The footnote I'm thinking about.

22 Q. But there is no Ripple contract cited in  
23 your opening report. Right?

24 A. None that I saw just now, no.

25 Q. Okay. Take a look at Paragraph 2 in your

1 [REDACTED] - 2/16/2022

2 report, Exhibit 1. You write in this paragraph:

3 The SEC retained me to independently analyze and  
4 render opinions on a perspective of a reasonable  
5 purchaser of XRP on Ripple's statements, actions,  
6 and product offerings. The purchasers I am  
7 considering in this matter primarily include  
8 individuals, institutional investors, and financial  
9 services companies.

10 You say, "primarily include." Are there  
11 other types of purchasers you also considered?

12 A. I -- I think it's possible that there are  
13 entities that wouldn't fall into those categories  
14 that have made a purchase of XRP. And so to the  
15 extent that that exists, it wasn't really part of  
16 the group of entities or individuals that I was  
17 considering.

18 Q. You didn't define the term "reasonable  
19 purchaser" in your report, did you?

20 A. I think we talked about earlier today  
21 some aspects of what a reasonable purchaser is,  
22 but --

23 Q. Well --

24 A. -- I don't think it was defined -- broken  
25 out as, you know, a specific definition in the



1 [REDACTED] - 2/16/2022

2 report.

3 Q. Okay. How did you decide which  
4 individuals, institutional investors, or financial  
5 services companies were reasonable purchasers and  
6 which were not?

7 MR. SYLVESTER: Object to the form.

8 A. I think anybody who falls into those  
9 groups is an individual institutional investor or  
10 financial service company that is, you know,  
11 rationally considering making a purchase of XRP  
12 could fall into that group. I can't individually  
13 identify every one of the people or entities that  
14 would fall into that category, but, you know, the --  
15 that general group is the type of market participant  
16 that I was considering.

17 Q. Would you agree that individuals come in  
18 all different levels of sophistication in terms of  
19 investment experience?

20 MR. SYLVESTER: Object to the form.

21 A. I -- yeah, I think that there are some  
22 individuals that are more sophisticated in the  
23 marketplace than others.

24 Q. Would you agree that, on the whole,  
25 institutional investors or financial services

1 [REDACTED] - 2/16/2022

2 companies are likely to be more sophisticated than  
3 typical individuals?

4 MR. SYLVESTER: Object to form,  
5 beyond the scope.

6 A. I think -- it's hard for me to make a  
7 blanket statement like that. I think there are  
8 plenty of institutional investors that are less  
9 sophisticated than individual -- specific examples  
10 of individual investors and vice versa, so you could  
11 find examples going both directions there.

12 Q. When you did your analysis in your  
13 report, you didn't analyze each of these three  
14 groups, individuals, institutional investors, and  
15 financial services companies separately, you  
16 considered them all as whole. Right?

17 MR. SYLVESTER: Object to form.

18 A. I think at many places in the report, as  
19 you can see if you go through it, I speak to the  
20 specific considerations and needs of -- of some of  
21 those on their own.

22 And there are some -- there's some  
23 discussions that apply generally across -- you know,  
24 more generally across people -- institutional  
25 investors and financial services company as a group,

1 [REDACTED] - 2/16/2022

2 and there's some considerations and topics that  
3 pertain to one more than the other, and I think  
4 I've -- at -- at those times, I've broken out that  
5 discussion to how what I'm talking about kind of  
6 pertains to one or the other of those.

7 Q. How many individuals or entities have  
8 purchased XRP?

9 A. I --

10 MR. SYLVESTER: Object to form.

11 A. Sitting here right now, I can't give you  
12 an exact number.

13 Q. Can you even give me an estimate?

14 MR. SYLVESTER: Object to form,  
15 beyond the scope.

16 A. Sitting here now, I can't -- I can't tell  
17 you. That wasn't part of my assignment, that wasn't  
18 part of what I was analyzing, it wasn't something I  
19 tried to calculate, so I could -- I can't really  
20 give you an answer. That's not something I've  
21 looked at.

22 Q. So you don't know how many reasonable  
23 purchasers of XRP exist in the real world. Is that  
24 right?

25 MR. SYLVESTER: Object to form.

1 [REDACTED] - 2/16/2022

2 A. Sitting here now, I can't tell you how  
3 many total purchasers there have been of XRP going  
4 back over time.

5 Q. And you don't know where purchasers of  
6 XRP are located geographically in terms of, for  
7 example, how many are in versus outside of the  
8 United States. Is that right?

9 MR. SYLVESTER: Object to form.

10 A. So as I mentioned, I don't have specific  
11 numbers on any of these things, but there are  
12 certainly indications about whether people are  
13 likely to be inside or out of the country, based on  
14 kind of looking at blockchain data and the platforms  
15 they're using and things like that.

16 Q. Based on the data you've looked at,  
17 approximately what percentage of XRP purchasers were  
18 located inside the United States?

19 A. I can't give you a specific number for  
20 that.

21 Q. Do you have an estimate?

22 A. I don't have a specific estimate for  
23 that.

24 Q. You -- would you be able to come up with  
25 an estimate, based on the blockchain data?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 A. I would have to have the question, you  
4 know, better defined than the way you've given it to  
5 me just now. I could -- I think, using blockchain  
6 data, it's possible to develop insights into  
7 location of various purchasers and where activity  
8 took place, especially related to specific  
9 platforms.

10 But the -- I think the way you asked it  
11 is pretty broad and open-ended. I wouldn't -- I  
12 don't think I could give you a yes or no without  
13 hearing the specific question you would want me to  
14 answer.

15 Q. Okay. So using blockchain data  
16 especially related to specific platforms, it's  
17 possible to get insights into the location of  
18 purchasers. Is that right?

19 MR. SYLVESTER: Object to form.

20 A. I think you can learn information about  
21 the geographic location of purchasers based on a  
22 variety of data and blockchain analysis, and the  
23 platforms they're using would be examples of that,  
24 yes.

25 Q. Okay. And you didn't do that blockchain

1 [REDACTED] - 2/16/2022

2 analysis in connection with your opening report.

3 Right?

4 A. In my opening report, I did not.

5 Q. Okay. And you didn't do that blockchain  
6 analysis in connection with your rebuttal report,  
7 did you?

8 A. I did.

9 Q. What blockchain data did you analyze in  
10 your rebuttal report on this issue?

11 A. XRP Ledger data.

12 Q. Do you know how many XRP owners also own  
13 other digital assets?

14 MR. SYLVESTER: Objection; beyond the  
15 scope.

16 A. Are you asking, like, what percentage of  
17 people who own XRP owned some other digital asset in  
18 addition to XRP?

19 Q. Sure. We can start with that.

20 A. I can't give you a specific number on the  
21 percentage of XRP holders that hold a separate  
22 asset. I mean, those assets appear on separate  
23 blockchains. I certainly haven't done that analysis  
24 for each and every blockchain that exists in the  
25 world.

1 [REDACTED] - 2/16/2022

2 Q. So you don't know what percentage of  
3 people who own XRP own some other digital asset in  
4 addition?

5 MR. SYLVESTER: Objection; beyond the  
6 scope.

7 A. I haven't done that analysis.

8 Q. Are you aware that XRP holders can make  
9 purchases using XRP-based debit cards?

10 MR. SYLVESTER: Objection; form.

11 A. I'm aware that people use debit cards to  
12 make purchases that are funded out of a digital  
13 asset.

14 I would disagree with the way that -- the  
15 mechanism of how that transaction works start to  
16 finish, I would disagree with the way that you  
17 phrased that, so I've slightly -- answered a  
18 slightly different question.

19 But there are debit cards out there in  
20 the world that will fund a U.S. dollar transaction  
21 by first selling a digital asset.

22 Q. And there are debit cards that will fund  
23 transactions by selling XRP. Isn't that right?

24 A. I can't give you a specific example of  
25 one but, in general, yeah, I'm aware that there are

1 [REDACTED] - 2/16/2022

2 debit cards that will allow you to sell an  
3 investment, whether that's XRP or, you know, many  
4 other types of digital assets and then use the U.S.  
5 dollars generated from that transaction to complete  
6 a purchase.

7 Q. Are you familiar with the Uphold debit  
8 card?

9 A. I'm not familiar with that specifically,  
10 no.

11 Q. Are you familiar with the GlobaliD debit  
12 card?

13 A. No.

14 Q. Do you know if there were any purchasers  
15 of XRP who didn't know that Ripple existed at the  
16 time they bought XRP?

17 A. Sorry. Say that again for me.

18 Q. Do you know if there were any purchasers  
19 of XRP who didn't know that Ripple existed at the  
20 time they bought XRP?

21 A. I can't speak to every single purchaser  
22 of XRP and what they knew at the time that they  
23 purchased it.

24 Q. Suppose there is somebody out there who  
25 didn't know about Ripple at the time they purchased



1 [REDACTED] - 2/16/2022

2 XRP. Is it your opinion that that purchaser would  
3 have been relying on statements by Ripple when they  
4 made their purchase of XRP?

5 MR. SYLVESTER: Objection; beyond the  
6 scope.

7 A. I can't speak to what an individual  
8 person knew or didn't know at the time.

9 Q. Is it your opinion that an individual who  
10 didn't know about Ripple at the time they purchased  
11 XRP would have had an expectation of profits based  
12 on Ripple's actions at the time they purchased?

13 MR. SYLVESTER: Objection; beyond the  
14 scope.

15 A. I'm having a hard time figuring out  
16 exactly what you're asking me. I mean, for a long  
17 time, people didn't even distinguish between the  
18 name of Ripple the company versus Ripple the  
19 digital. So when -- it's hard for me to say that  
20 somebody understood that, like, Ripple the digital  
21 asset existed when Ripple the company didn't exist.

22 I mean, you know, hypothetical purchaser  
23 in that moment would have just thought they were  
24 purchasing Ripple. And I think that somebody who  
25 didn't understand that the company existed but that

1 [REDACTED] - 2/16/2022

2 the asset existed, it -- it's hard to hypothetically  
3 speak about the mindset of that person.

4 Q. Did you do anything to find out whether  
5 there were actually people who purchased XRP and  
6 didn't know about Ripple's existence at the time  
7 they purchased it?

8 A. I never studied the question of  
9 specifically how many people knew what XRP was, but  
10 didn't know what the company Ripple was.

11 Q. And do you have any opinions as to  
12 whether, if such people existed, they were relying  
13 on actions by Ripple to receive a profit from  
14 purchasing XRP?

15 MR. SYLVESTER: Objection; beyond the  
16 scope.

17 A. I can't put myself in the mindset of that  
18 person. I can think of a scenario where somebody  
19 read about the bull case for XRP that could have  
20 even been communicated by Ripple, but they could  
21 have read that and still relied on that without  
22 knowing the identity of the person who wrote it. I  
23 mean, it might have just appeared in an interview,  
24 or a clip, or a -- an article, or something like  
25 that.

1 [REDACTED] - 2/16/2022

2 I mean, there is a lot of hypothetical  
3 scenarios I can think of that would probably cut  
4 both directions on that. So it's hard for me to  
5 give you a specific answer about a specific person  
6 without kind of hashing out what they read, and  
7 what -- who -- what they understood about who made  
8 the statement, and what they understood about the  
9 purchase -- the link between the digital asset and  
10 the person who made the statement.

11 Q. So you would need to know more about this  
12 hypothetical person before you could put yourself in  
13 their mindset to understand what they were expecting  
14 when they purchased XRP. Is that right?

15 MR. SYLVESTER: Objection; beyond the  
16 scope.

17 A. Well, I think the way you ask the  
18 question is not specific enough in terms of what  
19 they knew and what information they were relying on,  
20 so it's hard for me to construct even hypothetically  
21 in their mind what the link would be between those  
22 two things.

23 Q. Suppose someone were to testify that when  
24 they purchased XRP, they were aware of Ripple, and  
25 they knew that Ripple offered products to banks, but

1 [REDACTED] - 2/16/2022

2 that they decided to purchase XRP not because of  
3 Ripple, but because of XRP's superior technology.

4 Would that change your opinion about  
5 whether reasonable purchasers of XRP were relying on  
6 Ripple's statements, actions, and product offerings?

7 MR. SYLVESTER: Objection; beyond the  
8 scope.

9 A. I think that, in preparing my opinion, I  
10 collected, you know, the appropriate information  
11 that I needed to know and formed my opinion based on  
12 that, so I wouldn't be changing my opinion.

13 Q. Would it change your opinion if you  
14 learned that there were hundreds of people who  
15 testified that?

16 MR. SYLVESTER: Objection; beyond the  
17 scope.

18 Go ahead.

19 A. Again, I think I collected the pertinent  
20 information as set forth by my methodology and by  
21 the analysis that I did, and I collected the  
22 information I needed to collect. So that  
23 information would not -- I can't sit here, you know,  
24 imagine that the information would change my  
25 opinion, but if, you know, you wanted me to, you

1 [REDACTED] - 2/16/2022

2 know, redo that analysis, I would need to, you know,  
3 do a lot more than just kind of answer that  
4 off-the-cuff right now. I don't know without doing  
5 an analysis.

6 Q. Suppose someone were to testify that they  
7 acquired XRP because it was a top 10 cryptocurrency  
8 by market cap and listed at a lower price compared  
9 to others, not because of anything that Ripple said  
10 or did?

11 Would that change your opinion about  
12 whether reasonable purchasers of XRP were relying on  
13 Ripple's statements, actions, and product offerings?

14 MR. SYLVESTER: Objection; beyond the  
15 scope.

16 A. So to draw any conclusion about how my  
17 opinions have changed, I would need to do a lot more  
18 work analysis than just hearing one data point and  
19 making a decision based on that.

20 Q. How many purchasers did you speak with to  
21 obtain data points before you wrote your report in  
22 this case?

23 MR. SYLVESTER: Object to form.

24 A. I didn't interview particular purchasers.

25 Q. If you were to learn that -- withdrawn.

1 [REDACTED] - 2/16/2022

2 Suppose someone were to testify that they  
3 acquired XRP for noninvestment purposes, such as to  
4 pay for goods and services or to use as a substitute  
5 for fiat currency. Would that change your opinion  
6 about whether reasonable purchasers of XRP were  
7 relying on Ripple's statements, actions, and product  
8 offerings?

9 MR. SYLVESTER: Objection; beyond the  
10 scope.

11 A. Again, sitting here now, having collected  
12 the information I think was pertinent to form my  
13 opinion and not, you know, doing more analysis, I  
14 can't tell you that just kind of off-the-cuff my  
15 opinion would change.

16 Q. What other information would you need to  
17 figure out whether your opinion would change?

18 A. All the information I collected in this  
19 report was considered, the totality of that was  
20 considered. Hypothetically, if I had done this  
21 analysis and the information that was out there in  
22 the world was different, I might have come to a  
23 different conclusion. So it's probably not a matter  
24 of the -- and I can't tell you right now  
25 specifically what individual piece of information

1 [REDACTED] - 2/16/2022

2 would change my opinion or not, but I'd have to  
3 consider the totality of the evidence and the data  
4 that exists.

5 Q. Suppose someone were to testify they  
6 purchased XRP with the intention of using it to  
7 develop a project or an application that involved  
8 XRP or the XRP Ledger?

9 Would that change your opinion about  
10 whether reasonable purchasers of XRP were relying on  
11 Ripple's statements, actions, and product offerings?

12 MR. SYLVESTER: Objection; beyond the  
13 scope.

14 A. I collected and considered all of the  
15 information that I thought was pertinent, given my  
16 assignment. And, again, I think giving me a  
17 hypothetical of one additional data point sitting  
18 here right now doesn't make me change my opinion.

19 Q. What if it was thousands of additional  
20 data points? What if thousands of people testified  
21 along those lines?

22 MR. SYLVESTER: Objection; beyond the  
23 scope and form.

24 A. An individual piece of evidence, sitting  
25 here right now, without doing additional analysis,

1 [REDACTED] - 2/16/2022

2 doesn't change that I collected the information I  
3 thought was relevant, important to make my analysis,  
4 and then, you know, conducted analysis based on that  
5 data and based on my methodology.

6 Q. Suppose someone were to testify that they  
7 purchased XRP with the intent to transfer other  
8 digital assets, currencies, or send value to others  
9 using the XRP Ledger?

10 Would that change your opinion as to  
11 whether reasonable purchasers of XRP were relying on  
12 Ripple's statements, actions, and product offerings?

13 MR. SYLVESTER: Objection; beyond the  
14 scope.

15 A. Giving me a single hypothetical piece of  
16 data, sitting here right now it doesn't change my  
17 opinion as written, which was, you know, the result  
18 of process, methodology, analysis, and including,  
19 you know, my own collection of data that I thought  
20 was relevant to the case.

21 Q. How many hours did you spend doing your  
22 analysis on this report?

23 A. I can't remember exactly.

24 Q. Do you know if it was more than 50?

25 A. It was more than 50.



1 [REDACTED] - 2/16/2022

2 Q. Was it more than 500?

3 A. I'm not sure.

4 Q. It may have been, it may not have been,  
5 you don't know?

6 A. I --

7 MR. SYLVESTER: Object to form.

8 A. -- I don't know a specific number.

9 Q. Suppose someone were to testify that they  
10 utilized XRP as collateral to obtain financing.  
11 Would that change any of the opinions you're  
12 offering in this case?

13 MR. SYLVESTER: Objection; beyond the  
14 scope.

15 A. That hypothetical piece of data does not  
16 cause me to change my opinion. Again, my opinion  
17 was based on the data that I collected and  
18 identified in support of the methodology that I laid  
19 out and the process that I followed that was, you  
20 know, based on my experience in the space, my expert  
21 opinion.

22 Q. Have you ever heard of Nexo?

23 A. Yes.

24 Q. What is Nexo?

25 A. Nexo is a financial institution.

1 [REDACTED] - 2/16/2022

2 Q. Does Nexo allow people to loan digital  
3 assets and earn interest by doing that?

4 MR. SYLVESTER: Object to form.

5 A. My understanding is that Nexo does allow  
6 lending services.

7 Q. Do you know whether XRP is one of the  
8 assets that can be used for lending on Nexo?

9 A. I believe that Nexo allows a wide variety  
10 of digital assets. I can't remember the entire  
11 list, start to finish.

12 Q. Do you know whether XRP is one of the  
13 assets that can be used for lending on Nexo?

14 MR. SYLVESTER: Objection; asked and  
15 answered.

16 A. I know that Nexo allows a wide variety of  
17 digital assets to be used on their platform.

18 Q. So you're not sure whether XRP is one of  
19 those assets?

20 MR. SYLVESTER: Objection.

21 Go ahead.

22 A. Sitting here right now, without pulling  
23 up their website, I don't know whether, you know, a  
24 given platform has, you know, changed over time in  
25 terms of things that they've offered, they

1 [REDACTED] - 2/16/2022

2 discontinued, they started to offer. It's been a  
3 while since I've looked at their website. So I  
4 would need to look at their current product  
5 offerings.

6 Q. And you didn't consider what was on their  
7 website in connection with forming your opinions in  
8 this case. Right?

9 MR. SYLVESTER: Objection. You mean  
10 Exhibit 1?

11 Q. I mean in connection with forming your  
12 opinions in this case.

13 A. The documents that I considered for my  
14 initial report are on the -- the list here.

15 Q. Have you heard of the online platform  
16 Celsius?

17 A. Yes, I've heard of that.

18 Q. Is that another platform that allows  
19 lending services of digital assets?

20 A. Yes.

21 Q. How about Bittrue?

22 MR. SYLVESTER: Objection; form.

23 A. I can't tell you, sitting here right now,  
24 specifically what assets either of those platforms  
25 offer.

1 [REDACTED] - 2/16/2022

2 Q. Are you familiar with Bittrue?

3 A. I've -- you know, I'm not as familiar  
4 with Bittrue as the others.

5 Q. What platform do you use to stake crypto?

6 MR. SYLVESTER: Objection; form.

7 A. I've staked crypto using blockchains, but  
8 I don't believe I've ever staked on a centralized  
9 platform like the ones that you're talking about.

10 Q. Are you familiar with BlockFi?

11 A. Yes.

12 Q. Is -- what is BlockFi?

13 A. I think it's -- broadly it's similar to  
14 some of the platforms you discussed. It's a  
15 financial institution.

16 Q. Have you ever used BlockFi?

17 A. No.

18 Q. Are you aware of the SEC enforcement  
19 action announced against BlockFi yesterday?

20 A. I am.

21 Q. Have you stopped staking digital assets  
22 in light of that enforcement action?

23 MR. SYLVESTER: Objection; assumes  
24 facts not in evidence.

25 Did he say he's staking digital

1 [REDACTED] - 2/16/2022

2 assets right now? I thought you spoke in the past  
3 tense.

4 A. In answer to your question about  
5 centralized platforms like the one we just  
6 discussed, I said I have not staked on those  
7 platforms.

8 Q. I didn't ask about on platforms.  
9 When was the last time you staked digital  
10 assets?

11 A. I can't remember specifically.

12 Q. Within the last six months?

13 A. Probably.

14 Q. Did you ever stop staking -- did you ever  
15 make a decision to stop staking digital assets?

16 A. Do you mean in general or with a  
17 particular asset?

18 Q. Either.

19 A. I've had assets that were staked and then  
20 not staked later, if that's what you mean.

21 Q. Have you decided to stop staking digital  
22 assets generally at any point?

23 A. No.

24 Q. If someone were to testify that they  
25 staked their XRP on digital trading platforms, such

1 [REDACTED] - 2/16/2022

2 as Nexo, Celsius, or Bittrue, and that they earn  
3 interest or compensation for loaning XRP, would that  
4 change any of the opinions you're offering in this  
5 case?

6 MR. SYLVESTER: Objection; beyond the  
7 scope.

8 A. That hypothetical data point does not  
9 change the opinion that I've laid forth in this  
10 report, sitting here today. It was made using all  
11 of the relevant data and methodology that I thought  
12 was appropriate given my expertise in this space.

13 Q. Do you know who John Deaton is?

14 A. No.

15 Q. I'm going to show you what we'll mark as  
16 Exhibit [REDACTED] 5. [REDACTED] 5 is a series of tweets by  
17 John Deaton and it looks like they're dated  
18 February 11th.

19 (Exhibit 5 was marked.)

20 MR. SYLVESTER: 2022?

21 MR. OPPENHEIMER: Yes, as far as I  
22 can tell. Thank you.

23 Q. So Exhibit 5 has a series of tweets.  
24 Have you ever seen them before?

25 MR. SYLVESTER: Take your time to

1 [REDACTED] - 2/16/2022

2 look through the document so you can answer that  
3 question accurately.

4 A. (Pause.)

5 Q. And I'll note for the record while you're  
6 reading that some of the tweets are duplicated  
7 across pages so that you can see how the series  
8 links up at the top and bottom.

9 A. Wait. Sorry. Say that again.

10 (Simultaneous speaking.)

11 Q. Some of them are duplicated across pages  
12 so you can see how they link up. As an example, the  
13 second page of Exhibit 5 ends with a tweet numbered  
14 16 and then that tweet numbered 16 is at the top of  
15 the third page. So you can see the order that they  
16 continue to go in.

17 A. So, actually, these are all printed in  
18 reverse order?

19 Q. Yeah.

20 A. So they start from the end.

21 Q. So take your time to read it. My  
22 question will be have you ever seen these tweets  
23 before.

24 A. (Pause.)

25 Okay. I've read through them.

1 [REDACTED] - 2/16/2022

2 Q. Have you seen these tweets before?

3 A. No.

4 Q. If you look at the final page of  
5 Exhibit 5, the tweet at the very bottom, it says:  
6 I've literally been in contact with thousands of XRP  
7 holders.

8 And then above that, the tweet marked  
9 No. 1 says: The majority of first-time XRP  
10 purchasers were actually unaware of a company called  
11 Ripple and its use of XRP.

12 Do you see that?

13 A. I do.

14 Q. If you were to learn that a majority of  
15 first-time XRP purchasers were unaware of a company  
16 called Ripple and its -- and its use of XRP, would  
17 that change any of the opinions you're offering in  
18 this case?

19 A. I mean, looking at this, I have no way of  
20 knowing whether any of this is true. I don't know  
21 who this person is. I don't know who they spoke to.  
22 I don't know if he validated that the people he  
23 spoke to are right and, you know, if some -- just  
24 because somebody, you know, said that, that doesn't  
25 change my opinion here. It's -- it's not part of



1 [REDACTED] - 2/16/2022

2 the data that I felt that I needed to conduct my  
3 analysis.

4 Q. So I'm not asking you to accept this  
5 tweet as fact. What I'm asking you is  
6 hypothetically assume it is true.

7 If you were to learn that a majority of  
8 first-time XRP purchasers were unaware of a company  
9 called Ripple and its use of XRP, would that change  
10 your opinions in this case?

11 MR. SYLVESTER: Objection; asked and  
12 answered.

13 A. Yeah. I -- I don't have a different  
14 answer for you. It's hard for me to draw any  
15 conclusions based on somebody making a claim that  
16 they know that some other unnamed people have -- you  
17 know, made their own claim about what they knew  
18 about Ripple at that time.

19 Q. And you've not undertaken any efforts to  
20 figure out what a majority of first-time XRP  
21 purchasers did or didn't know in connection with  
22 forming your opinion. Right?

23 A. Along the lines of my inability to  
24 validate that this person actually spoke to  
25 individuals who actually work for XRP purchasers and

1 [REDACTED] - 2/16/2022

2 they did or didn't know specific things, I also  
3 don't have a, you know, authenticated validated list  
4 of people who were queried at the time that they  
5 made an XRP purchase for the first time and -- and  
6 what they knew or didn't know.

7 Q. Did you try to find any XRP purchasers to  
8 ask them?

9 MR. SYLVESTER: Object to form.

10 Go ahead.

11 A. I did not interview specific XRP  
12 purchasers or attempt to validate whether anybody  
13 did, you know, make a specific purchase and what  
14 their knowledge of Ripple was at that moment that  
15 they made that purchase.

16 Q. Take a look at the tweet marked No. 9 on  
17 Page 4 of this exhibit. This tweet says: 65K XRP  
18 holders granted amicus affirm when they acquired  
19 XRP, they were not relying on the efforts of the  
20 company, Ripple, or its management team for any  
21 purpose.

22 If you were to learn that 65,000 people  
23 submitted testimony saying that they affirm that  
24 when they acquired XRP, they were not relying on the  
25 efforts of the company, Ripple, or its management

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2 team for any purpose, would that change the opinions  
3 you're offering in this case?

4 MR. SYLVESTER: Object to the form.

5 A. It would not.

6 Q. Why not?

7 A. For all the reasons you just said, it's  
8 impossible for me to validate that there is a  
9 specific number of individuals who had that specific  
10 information in their mind at the moment they made  
11 that purchase, but I think whether they realize it  
12 or not, they -- you know, Ripple -- there are  
13 certain, kind of, facts I know about what happened  
14 in the development of the XRP Ledger. One of them  
15 is that Ripple aided the development, so without  
16 Ripple, they wouldn't have been able to even make  
17 that purchase. Whether they know that they relied  
18 on those development efforts or not, if those --  
19 hypothetically, if those development efforts didn't  
20 exist, they couldn't have even made that purchase.

21 So, you know, in addition to being  
22 impossible to authenticate that a specific person  
23 knew or didn't know something, there is a separate  
24 issue between what they, you know, knew in their  
25 mind and what was true in the world in terms of

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2 their reliance of -- on Ripple to make that  
3 purchase.

4 MR. SYLVESTER: Brad, maybe when  
5 we're done with this exhibit, we could take a break.  
6 We've been going for about an hour.

7 MR. OPPENHEIMER: Sure. We can  
8 finish soon.

9 Q. When -- you mentioned that you know  
10 certain kinds of facts about what happened in the  
11 development of the XRP Ledger. One of them is that  
12 Ripple was working on the development of the XRP  
13 Ledger. Is that with respect to past conduct or  
14 ongoing future development?

15 MR. SYLVESTER: Object to form;  
16 vague.

17 A. I was referring to the, kind of, origin  
18 of the XRP Ledger that if there had not been any  
19 initial development work to bring the XRP Ledger  
20 into the world, it would have been -- you know, XRP  
21 and XRP Ledger wouldn't have existed and somebody  
22 would not have been physically capable of making a  
23 purchase of XRP if that hadn't happened.

24 Q. So you're saying that anyone who bought  
25 XRP was relying on past actions that Ripple already

1 [REDACTED] - 2/16/2022

2 took when it developed the XRP Ledger. Is that  
3 right?

4 MR. SYLVESTER: Objection; beyond the  
5 scope.

6 A. People who, you know, purchased XRP, they  
7 did that for a wide variety of reasons and, you  
8 know, I've discussed in my report a list of  
9 important factors that a reasonable purchaser would  
10 consider, and beyond that, it's -- it's hard for me  
11 to speculate on a specific factor that did or didn't  
12 weigh in the mind of a specific, kind of,  
13 hypothetical person that has reported something they  
14 knew or didn't know at the time.

15 Q. Is it your opinion that a purchaser who  
16 didn't rely on -- withdrawn.

17 Is it your opinion that a purchaser who  
18 didn't consider the factors listed in your report  
19 was not a reasonable purchaser?

20 MR. SYLVESTER: Object to form.

21 A. I'm sorry. Say that again.

22 Q. Is it your opinion that a  
23 person -- withdrawn.

24 Is it your opinion that someone who  
25 purchased XRP but didn't consider the factors listed

1 [REDACTED] - 2/16/2022

2 in your report, that that person was not a  
3 reasonable purchaser of XRP?

4 MR. SYLVESTER: Object to the form.

5 A. The analysis I've done in my report was  
6 to lay out, in general, the types of things that  
7 reasonable purchasers -- the type of things that are  
8 relevant to reasonable purchasers.

9 And as I've said, you know, earlier  
10 today, you know, there are different types of market  
11 participants. They might have different factors  
12 that are more important to them or less important to  
13 them. Some of those market participants have  
14 completely different factors that are important to  
15 them. So I can't, sitting here, you know, without  
16 knowing every purchaser and having some way to  
17 validate what they knew or didn't know, rule out the  
18 possibility that there was some factor that they  
19 considered that is not in my report and I wasn't  
20 trying to do that with the report. I was trying to,  
21 you know, based on my knowledge and expertise and  
22 experience in the space, lay out the factors that I  
23 think are generally important to regional  
24 purchasers.

25 Q. Are you offering an opinion that a

1 [REDACTED] - 2/16/2022

2 purchaser who doesn't consider the same factors that  
3 you laid out in your report is not a reasonable  
4 purchaser?

5 MR. SYLVESTER: Objection; beyond the  
6 scope.

7 A. My report, the factors I laid out based  
8 on the assignment that I have and data that I  
9 collected, the goal was to identify and analyze  
10 important factors that were pertinent generally to  
11 reasonable purchasers.

12 Q. So you're not saying that somebody who  
13 doesn't rely -- or withdrawn.

14 So you're not saying that somebody who  
15 doesn't consider those factors can't be a reasonable  
16 purchaser as well. Is that right?

17 MR. SYLVESTER: Object to form.

18 A. I think if you're asking me, like,  
19 hypothetically is it possible for somebody to exist  
20 that is a reasonable purchaser that considered some  
21 subset of the factors I've outlined or considered a  
22 different factor also, that's -- that's certainly  
23 possible.

24 Q. Okay.

25 MR. OPPENHEIMER: Let's go off the

1 [REDACTED] - 2/16/2022

2 record.

3 THE VIDEOGRAPHER: The time is 3:37.

4 We're off the record.

5 (Break.)

6 THE VIDEOGRAPHER: The time is 3:54.

7 We're on the record.

8 Q. Take a look on Paragraph 89. In  
9 Paragraph 89, you write, quote: Over the course of  
10 the issuance period, a reasonable purchaser of XRP  
11 would have had an expectation of generating profit  
12 based on the efforts of Ripple and its management to  
13 accomplish the growth strategies that Ripple  
14 advertised to the public as being already achieved  
15 or planned for the future.

16 And then, later in that paragraph, you  
17 also say: A reasonable purchaser --

18 (Discussion off the written record.)

19 Q. A reasonable purchaser would have closely  
20 considered many factors --

21 MR. SYLVESTER: I'm sorry, Brad.

22 Where does the "reasonable purchaser" start?

23 MR. OPPENHEIMER: That is, if you  
24 count from the bottom, one, two, three, four,  
25 five -- the sixth line up, the reasonable purchaser.



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2 MR. SYLVESTER: Okay. So you're  
3 there starting in the middle of that sentence. Go  
4 ahead.

5 MR. OPPENHEIMER: Yeah. I'll do the  
6 whole sentence, if you want. Since we got  
7 interrupted. Why don't we start the whole question  
8 over.

9 Q. Paragraph 89, you write: Over the course  
10 of the issuance period, a reasonable purchaser of  
11 XRP would have had an expectation of generating  
12 profit based on the efforts of Ripple and its  
13 management to accomplish the growth strategies that  
14 Ripple advertised to the public as being already  
15 achieved or planned for the future.

16 And then, a little further down: Given  
17 this relationship between Ripple's performance and  
18 the price of XRP, a reasonable purchaser would have  
19 closely considered many factors that were publicized  
20 by Ripple, such as disclosed partnerships with  
21 financial institutions, the quality of Ripple's  
22 management team, the target addressable market for  
23 Ripple's products, and the availability of liquidity  
24 on trading platforms for XRP.

25 Do you see that?

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2 A. Yes.

3 Q. You didn't do any empirical testing to  
4 support that opinion, did you?

5 MR. SYLVESTER: Objection; form.

6 A. What do you mean by -- specifically by  
7 "empirical testing"?

8 Q. Did you conduct any surveys to see how  
9 purchasers viewed and interpreted Ripple's  
10 statements, efforts, and product offerings?

11 MR. SYLVESTER: Objection; form.

12 A. I -- I think throughout the report I have  
13 laid out the methodology that I used, which included  
14 kind of using my background in the space, my  
15 experience trading digital assets, my experience as  
16 a user of digital assets, in understanding how  
17 blockchains and blockchain companies and blockchain  
18 projects work, to identify the key factors that a  
19 reasonable purchaser -- that basically pertains to a  
20 reasonable purchaser, and how the design of the XRP  
21 Ledger, and the design of the software products, and  
22 how Ripple's statements and communications related  
23 to those -- those key factors, so --

24 Q. Let us -- sorry. Are you done?

25 A. I wasn't finished.

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2 Q. Go ahead.

3 A. The -- you asked about -- in the part you  
4 read about the -- how the -- the communications --  
5 of Ripple in fulfilling the kind of product  
6 trajectory plays into that. And I think throughout  
7 the report I laid out several ways that the -- that  
8 that link that you just repeated from the language  
9 from this Paragraph 89 was made very explicit by  
10 Ripple management, that they were basically going to  
11 develop a successful product offering that targeted  
12 a very large, addressable market.

13 And that, you know, I think those --  
14 those public announcements then directly made the  
15 link that if that was successful, there would be a  
16 large demand by institutions and others to hold XRP  
17 as part of the usage of that product, and that  
18 through the, you know, fixed-supply nature of the  
19 coin, that those holdings of XRP would tend to  
20 increase the price of XRP.

21 Q. So that's a no, you didn't conduct any  
22 surveys?

23 MR. SYLVESTER: Object to form.

24 A. I think I just laid out what the  
25 methodology was of my paper.

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2 Q. And there were no surveys in it. Right?

3 A. There were no -- well, there were surveys  
4 of the communications that were made by Ripple.

5 There were surveys of blockchain data that I --

6 Q. Did you --

7 A. You have to be more specific about  
8 exactly what kind of survey you're talking about.

9 Q. Well, that was the original question, but  
10 I'll ask it again. Did you conduct any surveys to  
11 see how purchasers viewed and interpreted Ripple's  
12 statements, efforts, or product offerings?

13 MR. SYLVESTER: Object to form.

14 A. I think what you're asking me is did I  
15 conduct, like, a poll of individuals who have  
16 claimed they owned XRP, and if that's the question  
17 you're getting at, then the answer is no.

18 But when you -- you're saying did I do a  
19 survey, and I think I've said I surveyed the  
20 available, you know, information that's laid out in  
21 my report.

22 But it seems like you're asking a  
23 specific question about a specific type of poll or  
24 specific type of question that I was asking to  
25 people who purported to purchase XRP. If that's

1 [REDACTED] - 2/16/2022

2 what you're asking, then no.

3 Q. You didn't do any surveys of XRP  
4 purchasers. Right?

5 A. I didn't identify specific XRP purchasers  
6 and ask them questions about, you know, what was in  
7 their head at the moment that they purchased it.

8 Q. You didn't hold any focus groups. Right?

9 A. Correct, I did not hold a focus group.

10 Q. You did not conduct any interviews.  
11 Right?

12 A. I did not conduct any interviews with --  
13 again, I think with XRP purchasers, if that's what  
14 you're asking, yeah.

15 Q. Did you conduct interviews with anyone  
16 else to form your opinions in this case?

17 A. No.

18 Q. You didn't perform any statistical  
19 analyses to see whether Ripple's statements,  
20 efforts, or product offerings had any long-term  
21 impacts on the price of XRP, did you?

22 A. Statistical analyses? Is that what you  
23 asked?

24 Q. That's what I asked.

25 MR. SYLVESTER: Objection; beyond the

1 [REDACTED] - 2/16/2022

2 scope.

3 Go ahead.

4 A. I think, in my original report and  
5 rebuttal report, I did analysis that involved --  
6 that involved using statistics, yes.

7 Q. Where in your original report did you do  
8 a statistical analysis? Can you point me to the  
9 paragraph?

10 A. I'd just have to go back and look.

11 (Pause.)

12 I'd say that Figure 4, which has monthly  
13 ODL volumes, involves statistics about ODL usage  
14 over time.

15 Q. So you considered Figure 4 a statistical  
16 analysis. Is that right?

17 A. I mean, the term "statistical analysis"  
18 is very broad. I don't exactly know what you're --  
19 if there is a specific type of analysis that you  
20 have in mind. I mean, my -- you know, data-based,  
21 you know, calculations, charts, and figures, to me,  
22 that -- that has to do with statistics.

23 But I think you're trying to ask about a  
24 specific kind of analysis. I could probably answer  
25 the question better if you narrowed in on what that

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2 type of analysis is that you're asking about.

3 Q. My question was, did you perform any  
4 statistical analyses to see whether Ripple's  
5 statements, efforts, or product offerings had any  
6 long-term impacts on the price of XRP. And --

7 (Simultaneous speaking.)

8 MR. SYLVESTER: Objection; beyond the  
9 scope.

10 Go ahead.

11 Q. Your answer to that question was that you  
12 did statistical analyses in both your opening and  
13 rebuttal reports.

14 So let's make clear, did you perform any  
15 statistical analyses to see whether Ripple's  
16 statements, efforts, or product offerings had any  
17 long-term impacts on the price of XRP?

18 MR. SYLVESTER: Objection; beyond the  
19 scope.

20 A. The -- all the analysis that I've  
21 performed is kind of shown in the report. I mean,  
22 we can disagree about the specific -- you know, I  
23 gave you one example. You disagree about the  
24 specific nature of that relating to your question or  
25 not. If you can, you know, ask more specifically

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2 about the type of analysis that you're seeing if I  
3 did or not, I mean, we could talk about that.

4 But I think, in general, you know,  
5 looking to the report, I identified the factors that  
6 I thought were pertinent and collected a variety of  
7 data to perform that analysis. And I think, you  
8 know, any time you're collecting quantitative data  
9 and, you know, producing calculations based on that,  
10 that has to do with statistics. So, broadly,  
11 that -- that's statistical analysis.

12 But if you're -- again, if you're trying  
13 to ask me if I did a specific type of statistical  
14 analysis, we can talk through that.

15 Q. Where does Figure 4 say anything about  
16 the price of XRP?

17 MR. SYLVESTER: Objection; form.

18 A. The word "price of XRP" is not in  
19 Figure 4. The Y axis on Figure 4, though, is a U.S.  
20 dollar value, so because these ODL transactions were  
21 transferred from, you know, one exchange to another  
22 on the XRP Ledger, the price of XRP is baked into  
23 this chart, because we're looking at dollar values  
24 on the Y axis, whereas U.S. dollars were not sent on  
25 the XRP Ledger for these transactions. We're



1 [REDACTED] - 2/16/2022

2 looking at XRP transactions that had a dollar value,  
3 so the price of XRP times the number of coins gives  
4 you a -- gives you a U.S. dollar figure.

5 Q. And where does Figure 4 say anything  
6 about the effects of Ripple's statements, actions,  
7 and product offerings on the price of XRP in the  
8 long-term?

9 MR. SYLVESTER: Objection; form.

10 A. The title of Figure 4 does not have  
11 that -- those words in it. I think, taken in the  
12 totality of the report, everything in the report is  
13 there to lay out the framework I used and the  
14 analysis I used to make the determinations and the  
15 opinions that I have.

16 So they are -- you know, everything in  
17 the report is related to my, you know, analytical  
18 framework. I think every word of the -- of a  
19 specific conclusion is going to show up in every  
20 figure head, though.

21 Q. You're not a statistician, are you?

22 A. That's correct.

23 Q. Do you have any statistical -- any  
24 training to conduct statistical analyses?

25 A. Well, I use statistics all the time as a

1 [REDACTED] - 2/16/2022

2 course of my work, both my present and in previous  
3 jobs. We talked earlier about my work at [REDACTED]  
4 [REDACTED] and [REDACTED] and I used statistics  
5 heavily in those jobs. So I have a familiarity with  
6 using data and statistics, but not formal training  
7 as a statistician or conducting kind of -- I guess,  
8 so yeah, I don't have formal training as a  
9 statistician.

10 Q. Did you conduct a factor analysis to  
11 determine what factors influence the price the XRP?

12 A. I identified --

13 MR. SYLVESTER: Objection; beyond the  
14 scope.

15 A. -- I identified several factors in my  
16 report that, you know, based on my expertise in the  
17 space, my knowledge of the blockchain space, and as  
18 both a user and an investor that I thought were  
19 important factors to a reasonable purchaser of XRP.

20 Q. Do you know what a statistical factor  
21 analysis is?

22 A. Yes.

23 Q. Did you do one of those?

24 A. No.

25 Q. Did you do an events study to figure out

1 [REDACTED] - 2/16/2022

2 what -- withdrawn.

3 You're not a psychologist, are you?

4 A. Correct.

5 Q. And you're not offering an opinion about  
6 how an ordinary person would interpret statements  
7 made in the English language, are you?

8 MR. SYLVESTER: Object to form.

9 A. I'm not sure I understand exactly what  
10 you're asking. Yeah, I'd ask you to see if we can  
11 hone in on that better.

12 Q. Are you offering an opinion about what a  
13 set of statements would mean to someone who reads  
14 them?

15 MR. SYLVESTER: Objection; form.

16 A. I think as an expert in the blockchain  
17 space, I understand how certain terminology, jargon,  
18 and even, you know, broadly, statements about  
19 digital assets are perceived by people who  
20 understand the blockchain.

21 There are certain, you know, blockchain  
22 terms that someone who has no idea what blockchain  
23 is, they wouldn't understand what that meant. But  
24 somebody that is a software developer in the  
25 blockchain space or a sophisticated investor in the

1 [REDACTED] - 2/16/2022

2 blockchain space, they would have a different  
3 understanding of that word completely.

4 And so in that sense, yes, I think I  
5 qualified as an expert in the blockchain space to --  
6 to understand how certain words and communications  
7 are interpreted by another person who's involved in  
8 the blockchain space.

9 Q. Are you offering an opinion that the  
10 statements that you quote from Ripple wouldn't be  
11 understandable to a layperson?

12 A. I think that many of the statements by  
13 Ripple have specific meaning to someone who is in  
14 the blockchain space. So when Ripple talks about,  
15 you know, creating their escrow amounts to remove  
16 XRP from the kind of free float, that's an example  
17 where if you talk to somebody who's not in the  
18 blockchain space, and tell them an escrow, they  
19 might have a specific kind of reaction to that word  
20 or a meaning in their head of that word.

21 Maybe they've made a home purchase and  
22 they've put some money in an escrow and they  
23 understand it to be a third party who holds money  
24 for short-term while a transaction is closing.

25 I think to someone in the blockchain

1 [REDACTED] - 2/16/2022

2 space that has a different meaning, and they  
3 understand that, you know, Ripple's statements about  
4 escrowing XRP away is about, you know, controlling  
5 the circulating supply of XRP at a given moment.

6 And they don't understand that, you know,  
7 generally that type of action to alter the free  
8 float is done to assure investors that, you know,  
9 selling pressure will be removed from the market.  
10 There are a variety of specific kind of consequences  
11 of using that word that an investor in the  
12 blockchain space would understand completely  
13 different than an investor in the ordinary space.

14 An ordinary investor or a -- not even an  
15 investor, just an ordinary person who is not in the  
16 blockchain space would not draw that connection  
17 between, you know, digital assets being escrowed and  
18 the float being reduced for a certain amount of time  
19 and what that does to the price of the token over  
20 time.

21 Q. So somebody without a lot of experience  
22 in the digital asset space might interpret some of  
23 these statements differently from the way you do as  
24 an expert. Is that right?

25 MR. SYLVESTER: Objection; form, and

1 [REDACTED] - 2/16/2022

2 beyond the scope.

3 A. So I'm not specifically saying that my  
4 interpretation is different than everybody else's  
5 interpretation. I'm saying that as an expert in the  
6 blockchain space, I understand the meaning of some  
7 of these terms and how they relate to people in the  
8 blockchain space.

9 And, you know, part of what I tried to do  
10 in this report is to synthesize that expertise and  
11 that knowledge about how these communications are --  
12 you know, relate to participants, you know, market  
13 participants in the blockchain space. And the way  
14 that those terms and those communications relate to  
15 participants in the blockchain space is, you know,  
16 different than how those terms would relate to  
17 somebody that's not a potential purchaser of  
18 blockchain assets because they're not -- they're not  
19 in that space.

20 And I guess, you know, to give another  
21 example, like we talked about escrow, but maybe  
22 somebody talks about liquidity. So someone in the  
23 blockchain space can have a specific understanding  
24 of the term liquidity, what it means, why it's  
25 important for a company to increase the depth of

1 [REDACTED] - 2/16/2022

2 liquidity on a particular exchange and why it's  
3 important for a company to increase the availability  
4 of their asset on other, you know, trading platforms  
5 in order to promote liquidity and to promote trading  
6 in the product.

7           Somebody who hasn't kind of followed  
8 along with the trajectory of the blockchain space  
9 and, you know, specific developments that have  
10 happened with different companies might not  
11 understand what an important factor promoting  
12 liquidity is for blockchain trading in general and  
13 also for, you know, a blockchain product such as the  
14 one I'm talking about here, such as ODL, why  
15 liquidity is so important, to promote ODL usage.

16           So those are just two examples and I  
17 think there are others in the report, but, you know,  
18 I think many of these terms and many of these  
19 communications are, you know, interpreted in a  
20 certain way by someone who's in the blockchain space  
21 versus somebody who's not. I can, you know, speak  
22 to how those words and terms pertain to market  
23 participants in the blockchain space.

24       Q.     So a more sophisticated participant in  
25 the blockchain space would interpret some of these

1 [REDACTED] - 2/16/2022

2 statements by Ripple differently than someone who  
3 doesn't have blockchain experience.

4 (Simultaneous speaking.)

5 MR. SYLVESTER: Objection. Sorry.

6 MR. OPPENHEIMER: Go ahead.

7 MR. SYLVESTER: Form, and beyond the  
8 scope.

9 A. Sorry. Can you repeat the question?

10 Q. So a more sophisticated participant in  
11 the blockchain space would interpret some of these  
12 statements by Ripple differently than someone who  
13 doesn't have a lot of blockchain experience?

14 MR. SYLVESTER: Objection.

15 (Simultaneous speaking.)

16 Q. Isn't that right?

17 MR. SYLVESTER: Sorry.

18 Objection; form, beyond the scope of  
19 his expert opinion.

20 A. So I think you're talking about two  
21 different things there, which is somebody in the  
22 blockchain space and are they sophisticated. The  
23 way you -- I interpreted your question, that seems  
24 like you're saying it's one or the other and I  
25 disagree with that.



1 [REDACTED] - 2/16/2022

2 You could be a blockchain -- you can be a  
3 participant in the blockchain space with more or  
4 less sophistication. It can be someone who is  
5 outside of the blockchain space who has more or less  
6 sophistication.

7 What I generally try to identify are the  
8 concepts that are important to, you know, reasonable  
9 purchasers. So people who are, you know, making  
10 decisions about whether to purchase digital assets,  
11 there are certain factors that they consider. They  
12 would interpret specific words differently than  
13 somebody who has no understanding of the blockchain  
14 space.

15 I've given a couple of examples of those,  
16 but I think people would, you know -- I guess I'm  
17 saying that there are different groups of people who  
18 would interpret those words differently. I wouldn't  
19 draw the lines of classification around those groups  
20 of people exactly the way that you just did.

21 Q. Suppose somebody had no blockchain or  
22 digital asset experience at all. They went to go  
23 buy a digital asset for the first time and chose XRP  
24 and saw some of these statements that you describe  
25 in your report.

1 [REDACTED] - 2/16/2022

2 Would you expect that that person who has  
3 no digital asset experience would interpret some of  
4 these statements differently from the way you do as  
5 an expert?

6 MR. SYLVESTER: Objection; beyond the  
7 scope of your expert report.

8 A. I didn't specifically do analysis on the  
9 hypothetical person that you're talking about who's  
10 brand-new to blockchain and shows up at a digital  
11 asset exchange and makes a specific purchase of a  
12 specific asset.

13 What I tried to do is explain how, you  
14 know, generally reasonable purchasers of digital  
15 assets understand these design decisions and  
16 communications.

17 Q. Did you do anything to figure out how  
18 many purchasers of XRP actually encountered the  
19 statements that you quote in your report?

20 MR. SYLVESTER: Objection; form.  
21 Go ahead.

22 A. I do not know the specific number of how  
23 many people were exposed to any one of these pieces  
24 of communication.

25 Q. What steps did you take to try to find

1 [REDACTED] - 2/16/2022

2 that out, if any?

3 A. That was not part of my analysis. I  
4 think, you know, again, I laid out the methodology  
5 that I used, the steps that based on my experience  
6 and knowledge of the space were necessary. Found  
7 data that pertained to those steps that I laid out  
8 and then conducted my analysis.

9 Q. So let's talk about your methodology.  
10 What was the first step in your analysis, the first  
11 thing you did?

12 A. So the methodology is basically to  
13 synthesize my knowledge of the digital asset space  
14 that's based on, again, my experience trading  
15 digital assets and using blockchains and blockchain  
16 assets. Also my experience just in the traditional  
17 financial markets as a trader and investor, my  
18 knowledge of information that's written about the  
19 space in academic literature and blogs and podcasts  
20 and conferences, and to -- to use that expertise and  
21 background knowledge to synthesize an understanding  
22 of the important factors that relate to a potential  
23 purchaser of a digital asset.

24 So, you know, my first task was to  
25 identify those -- those factors, and then once I

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2 identified those factors, I needed to collect data  
3 that pertained to those -- to those factors, so I,  
4 you know, spent time collecting a variety of data  
5 across a variety of different types of sources.  
6 Some of those are written communications, some of  
7 those are communications in other formats, such as  
8 interviews and speeches.

9 And then, you know, other important data  
10 that related to those -- to the design of the  
11 blockchain and how those factors, you know, were  
12 addressed as to collect, you know, data on the usage  
13 of the, you know, main product offering, which in  
14 this case is ODL.

15 And then, you know, also throughout my  
16 original report and then the other reports, you  
17 know, an understanding of the mechanics of the  
18 blockchain was important. So that involved both  
19 looking at blockchain data, as well as reading kind  
20 of how the blockchain worked to understand, again,  
21 elements of the design of the software products that  
22 were offered, and the design of the blockchain  
23 itself.

24 So having determined the important  
25 factors that are at play and then having, you know,

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2 collected the data that I think was important that  
3 related to those factors, then the last half, you  
4 know, of my methodology was to -- using my kind of  
5 background in the space and expertise to synthesize  
6 an understanding of what the data suggested about  
7 people's -- you know, reasonable purchaser's  
8 expectations related to those, you know, key factors  
9 that identified.

10 Q. So your methodology depends, in part, on  
11 your own personal knowledge of the digital asset  
12 space based on your experience trading digital  
13 assets, using blockchains and blockchain assets, and  
14 your experience in the traditional financial  
15 markets. Is that right?

16 A. I think I listed some other things there  
17 that comprise my background area and expertise, but,  
18 certainly, the things you mentioned are part of  
19 that. I mean, my -- my experience trading digital  
20 assets -- both digital assets and traditional  
21 financial assets and using blockchains and  
22 blockchain assets, certainly part of that  
23 experience.

24 Q. So nobody else would be able to replicate  
25 your methodology unless they were able to get all of

1 [REDACTED] - 2/16/2022

2 the knowledge and experience that you already have  
3 relevant to this field. Is that right?

4 MR. SYLVESTER: Objection; form.

5 A. I'm not making any claim about me being  
6 the only person that can -- can do that. I think --  
7 all I'm suggesting is that I have significant  
8 experience in the space and that I use that  
9 experience to identify important factors that  
10 reasonable purchasers look towards.

11 Q. Right. And nobody else would be able to  
12 use your experience to be able to conduct this  
13 analysis. Right?

14 A. I think --

15 MR. SYLVESTER: Objection; form.

16 A. -- other people that have similar types  
17 of experience can bring that experience to bear. So  
18 when you say my experience, I'm not sure exactly  
19 what you're asking, but you know, nobody's had the  
20 specific combination of experiences that I've had.  
21 But other people have had similar experiences.  
22 There are other people who are very knowledgeable  
23 about the blockchain space. There are other people  
24 who have participated as users and investors in the  
25 blockchain space.

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2 And, you know, I think that there is a  
3 commonality in the type of factors that many market  
4 participants would look towards in the blockchain  
5 space just because, kind of, over time in that  
6 space, there is a -- there is a general kind of idea  
7 of the type of things that companies speak about  
8 because I know there is a set of factors that  
9 purchasers look towards in making their decisions.

10 And they -- they know that they need to  
11 communicate information about those and I think  
12 that's why, in fact, companies do communicate  
13 information about those -- those factors, because  
14 they know that a reasonable purchaser will look  
15 towards those and rely on those communications to  
16 understand the -- whether they're from an investment  
17 perspective where they're trying to understand the  
18 risk/reward of owning that asset or from a usage  
19 perspective where they're trying to understand the  
20 utility of that purchase for themselves or -- or  
21 the, you know -- the pros and cons of using that  
22 solution versus another blockchain or another  
23 blockchain asset.

24 Q. Have you had the opportunity to review  
25 the rebuttal report of Dr. Kristina Shampanier?

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2 A. Yes.

3 Q. Do you have any response to the points  
4 that Dr. Shampanier raised in her rebuttal report?

5 MR. SYLVESTER: Objection; beyond the  
6 scope.

7 A. I need to look at the report. I haven't  
8 read it in quite a while to -- to look at something,  
9 you know, specific from -- from there.

10 Q. So sitting here today, nothing comes to  
11 mind as a response to the points that Dr. Shampanier  
12 raised. Is that right?

13 MR. SYLVESTER: Objection --

14 A. I --

15 MR. SYLVESTER: -- mischaracterizes  
16 his testimony.

17 Go ahead.

18 A. Sorry. I'm happy to take a look at the  
19 report and look at a specific point in that expert  
20 rebuttal and we can talk about it. But in general,  
21 I don't know what to -- what you're asking me about.

22 Q. Dr. Shampanier critiqued your report as  
23 offering a survey of one. Do you recall seeing that  
24 in her rebuttal opinion?

25 MR. SYLVESTER: Objection. He just



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2 said he hasn't read the report in a long time and  
3 would need to see the report to reference it. So if  
4 you want to ask him a question about what she said,  
5 I think it's appropriate to put the report in front  
6 of him.

7 MR. OPPENHEIMER: Yeah. I'm just  
8 asking if he recalls that point from the report.

9 (Simultaneous speaking.)

10 A. I would need to look at the report.

11 Sorry. Go ahead.

12 Q. Do you recall that point from her report?

13 A. To speak to something specific in the  
14 report, I really need to look at it. I mean, you're  
15 telling me that there is a sentence in that report,  
16 but before commenting on it, I would really like to  
17 see the specific wording there.

18 Q. Okay. Have you billed any time in this  
19 engagement for review and analysis of  
20 Dr. Shampianier's report?

21 A. I've reviewed the report --

22 MR. SYLVESTER: Sorry. Hold on.

23 Objection; form.

24 Go ahead.

25 A. I've reviewed the report and I've billed

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2 time for anything I'm doing on this matter, so it  
3 stands to reason that I've billed hours for that,  
4 yes.

5 Q. Approximately, how many hours have you  
6 billed for your review of Dr. Shampanier's report?

7 A. I don't know.

8 Q. Do you think it's more than ten?

9 A. I really don't know.

10 Q. Okay. Take a look at Exhibit 1,  
11 Paragraph 85 of your report. Paragraph 85, you  
12 write: Investment-oriented purchasers of digital  
13 assets often pay close attention to company  
14 communications related to the factors described  
15 above. Ripple's extensive public comments and  
16 reports about those topics likely served to inform  
17 and persuade investment-oriented purchasers about  
18 the potential reward of purchasing XRP for the  
19 purpose of generating a profit.

20 MR. SYLVESTER: Just for the record,  
21 you read "those." It's "these topics."

22 MR. OPPENHEIMER: Thank you.

23 Q. Do you see that passage that I just read,  
24 subject to the correction?

25 A. Yes.

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2 Q. Did you do anything to test whether  
3 actual purchasers of XRP had the reactions that you  
4 suggest in this passage that we just read?

5 MR. SYLVESTER: Object to the form.

6 A. I didn't specifically ask about the  
7 reaction of an individual purchaser to these -- to  
8 these factors. I -- again, you know, I identified  
9 the factors I thought were important to digital  
10 asset purchasers and how asset purchasers generally  
11 would -- you know, how those relate to the  
12 understanding of asset purchasers. But I didn't do  
13 a specific, you know, session with a specific  
14 purchaser about their reaction to the statements.

15 Q. Prior to your retention as an expert in  
16 this case, did you pay close attention to Ripple's  
17 public communications in deciding not to purchase  
18 XRP?

19 MR. SYLVESTER: Objection; form.

20 Go ahead.

21 A. I, as with any digital asset, generally  
22 paid attention to what was out there in the world  
23 about that asset. I read news, read information  
24 about it in making the determination whether I  
25 thought it was a good risk/reward.

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2 Q. And did you look at the statements by  
3 Ripple cited in your expert report when you were  
4 deciding not to purchase XRP?

5 MR. SYLVESTER: Objection; form.

6 Go ahead.

7 A. I read many of the statements in this  
8 report and that generally -- all those statements,  
9 yeah, generally informed my opinion about whether to  
10 invest in a particular asset or not.

11 Q. Did you read all of the statements by  
12 Ripple from this report at the time you decided not  
13 to -- to purchase XRP?

14 A. I can't remember, sitting here right now,  
15 whether every single one of these statements is  
16 something that I saw at a specific date.

17 Q. What conclusions did you reach about the  
18 potential reward of purchasing XRP for the purpose  
19 of generating a profit at the time you decided not  
20 to buy it?

21 A. Sorry. Say that again.

22 Q. What conclusions did you reach about the  
23 potential reward of purchasing XRP for the purpose  
24 of generating a profit at the time you decided not  
25 to buy XRP?

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2 A. Well --

3 MR. SYLVESTER: Objection;

4 foundation.

5 Go ahead.

6 A. -- since I didn't purchase XRP, I never  
7 made a determination that the risk/reward was  
8 favorable, at least compared to the kind of  
9 opportunities set in front of me of the other  
10 potential assets that I could purchase.

11 Q. Have you ever worked for a money  
12 transmitter?

13 MR. SYLVESTER: Objection; form.

14 A. No, I have not.

15 Q. Have you ever interviewed anyone who  
16 works for a money transmitter?

17 A. As part of this expert report, I saw  
18 testimony of employees at -- or maybe at least one  
19 employee at a money transmitter. I've also read,  
20 you know, financial statements, filings -- public  
21 filings, and press releases and other communications  
22 by money transmitters.

23 Q. Have you ever interviewed anyone who  
24 works for a money transmitter?

25 A. I have not.

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2 Q. Take a look at Paragraph 86 of the  
3 report. You write in Paragraph 86: Purchasers of  
4 XRP for cross-border payments would also be  
5 interested in some of these topics, but not all.  
6 For example, a money transmitter likely cares deeply  
7 about specific topics like the liquidity of the  
8 digital asset trading platforms it needs to rely on  
9 to complete an ODL transaction, but is less  
10 interested in Ripple's communications about the bull  
11 case for the price of XRP.

12 What expertise do you have to identify  
13 what money transmitters were likely to care deeply  
14 about?

15 A. As I said, I read, you know, many  
16 statements by money transmitters about the type of  
17 issues they care about, about their business model,  
18 about their business strategy. In addition, you  
19 know, read their -- details about their finances.  
20 So, you know, through that information, I came to an  
21 understanding about what issues were important to  
22 them in terms of the platforms they use.

23 I think in the specific example, the  
24 sentence we just read, you know, employees for  
25 MoneyGram were very direct about addressing these

1 [REDACTED] - 2/16/2022

2 topics.

3 Q. So your basis for deciding what a money  
4 transmitter would likely care about comes from  
5 public filings and statements by MoneyGram. Is that  
6 right?

7 A. I've read and studied the business models  
8 and business strategy of many companies in the -- in  
9 the financial -- institutional financial space.  
10 MoneyGram is one example, I think it's a  
11 particularly important example because, you know,  
12 MoneyGram, at the peak of ODL uses during the  
13 issuance period, MoneyGram made roughly 95 percent  
14 of those ODL transactions. So when the, you know,  
15 CFO or somebody who's important at MoneyGram makes,  
16 you know, specific statements about what aspects of  
17 the market are important to them, when they say  
18 something like, you know, talking about liquidity  
19 and talking about their holding periods of XRP,  
20 whether they view it as a long-term investment, when  
21 they talk about those things, you know, they're a  
22 main customer of ODL, that's a particularly  
23 important voice.

24 But, you know, in general, I've paid  
25 attention to many companies that are in -- involved

1 [REDACTED] - 2/16/2022

2 in, you know, financial business world.

3 Q. Do you have any special knowledge in this  
4 field that someone else who paid close attention to  
5 the business -- withdrawn.

6 Do you have any special knowledge in this  
7 field that someone else who paid close attention to  
8 businesses in the financial business world and who  
9 read the materials from MoneyGram that you've cited  
10 in your report would not have?

11 MR. SYLVESTER: Object to form.

12 A. Sorry that was -- can you repeat that?  
13 I'm confused exactly what you're asking me.

14 Q. Do you have any basis to opine on what  
15 was important to a money transmitter other than  
16 publicly available materials and the comments by  
17 MoneyGram in this case?

18 MR. SYLVESTER: Objection;  
19 mischaracterizes his testimony.

20 A. The statements specific to MoneyGram that  
21 I just talked about and how a money transmitter such  
22 as MoneyGram would -- you know, like the type of  
23 factors that are important to them, I think that's  
24 discussed at length in my report.

25 As you asked earlier, I didn't have a



1 [REDACTED] - 2/16/2022

2 specific one-on-one conversation with a MoneyGram  
3 employee about that, but they've certainly, through  
4 various forms, made their opinions very clear and --  
5 and talked about the things that are working for  
6 them and not working for them in terms of using this  
7 product and so, as laid out in the report, I've  
8 relied on -- on those indicators.

9 Q. And, again, those indicators are public  
10 sources and statements by MoneyGram in this  
11 litigation. Right?

12 MR. SYLVESTER: Objection.

13 Go ahead.

14 A. Yeah. As I described, you know,  
15 MoneyGram in particular is an important voice  
16 because they're 95 percent of the usage of ODL  
17 during the peak usage period of the period that I  
18 was looking at. So, you know, their statements were  
19 important indicators to me, I certainly included  
20 those when I saw them.

21 Q. And you never worked for MoneyGram?

22 A. That's correct.

23 Q. You never worked for Western Union?

24 A. Correct.

25 Q. You never considered any statements by

1 [REDACTED] - 2/16/2022

2 Western Union in forming that opinion, did you?

3 A. I didn't see statements from Western  
4 Union.

5 Q. Did you ask to see statements from  
6 Western Union?

7 A. I don't remember asking for specific data  
8 from Western Union.

9 Q. Were you aware that Western Union  
10 produced documents to the SEC in this case?

11 MR. SYLVESTER: Objection. I'm going  
12 to ask you -- instruct you not to answer that to the  
13 extent that it reveals conversations with counsel.  
14 If you can answer without revealing conversations  
15 with counsel, you can answer.

16 A. I don't remember.

17 Q. Take a look at Paragraph 50 of your  
18 report. It's on Page 26 of Exhibit 1. In  
19 Paragraph 50, you write: Based on my experience as  
20 an investor in digital assets as well as my close  
21 observation of the digital asset space, I believe  
22 that a reasonable investment-oriented purchaser of  
23 XRP would consider at least the following factors  
24 when purchasing XRP.

25 And then you set out a list of six

1 [REDACTED] - 2/16/2022

2 factors. Do you see that?

3 A. Yes.

4 Q. Now, there's no citation in the footnote  
5 there, is there?

6 MR. SYLVESTER: Sorry, Brad. What  
7 footnote?

8 MR. OPPENHEIMER: Footnote 48.

9 Q. At the end of that sentence, there's no  
10 citation to any source for this?

11 MR. SYLVESTER: Object; form.

12 A. I'm sorry. I just read the footnote.  
13 What were you asking me about it?

14 Q. You didn't provide a citation for the  
15 list of the six factors in Paragraph 50. Right?

16 A. Correct.

17 Q. You drew that list based on your own  
18 personal experience. Is that right?

19 A. I --

20 MR. SYLVESTER: Objection;  
21 mischaracterizations his testimony.

22 Go ahead.

23 A. The factors in this paragraph as well as  
24 other parts of the report that I've identified as  
25 important factors to a reasonable purchaser that

1 [REDACTED] - 2/16/2022

2 was -- those are important factors I identified  
3 based on my knowledge and experience of watching the  
4 space.

5 Q. You didn't cite any academic papers  
6 setting out those factors as important, did you?

7 A. Correct.

8 Q. You didn't cite any industry journals or  
9 other business articles identifying those factors.  
10 Right?

11 MR. SYLVESTER: Objection; form. You  
12 just got to give me a second.

13 THE WITNESS: Sorry.

14 THE REPORTER: What was your answer?  
15 I didn't hear it.

16 THE WITNESS: "Correct."

17 Q. You don't cite any books or websites or  
18 other publications that list those six factors.  
19 Right?

20 MR. SYLVESTER: Objection; form.

21 A. Correct.

22 Q. Do you believe that digital asset buyers  
23 in the context of an ICO, initial coin offering,  
24 consider different factors than digital asset buyers  
25 outside of an ICO?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Objection; form, and  
3 beyond the scope.

4 A. In putting together this report, I put  
5 together the, you know, based on my knowledge and  
6 experience, the factors that I thought were  
7 important to a potential purchaser of XRP. I think  
8 that was my assignment. You're asking about  
9 something that I haven't, you know, had the time to  
10 think about or put that together.

11 Q. So sitting here today you haven't thought  
12 about whether ICO purchasers have different factors  
13 that they would consider than non-ICO purchasers?

14 MR. SYLVESTER: Objection; form,  
15 beyond the scope.

16 A. That -- it's not that I haven't  
17 considered ICOs in addition to a wide variety of  
18 other digital assets. You know, sitting here right  
19 now and preparing this report that wasn't part of  
20 what I was asked to consider.

21 Q. And just to be clear you're not opining  
22 that Ripple held an ICO from 2013 to 2020, are you?

23 A. I've never made a kind of legal  
24 determination about, you know, specific terms that  
25 you would classify their -- their issuance of XRP or

1 [REDACTED] - 2/16/2022

2 their offering. You know, some projects have  
3 self-labeled in certain ways and some have not, but  
4 my assignment was not to make that kind of  
5 determination.

6 Q. So you're not offering an opinion about  
7 whether Ripple held an ICO from 2013 to 2020, are  
8 you?

9 A. I'm not offering an opinion on what --  
10 what they -- what you would call or label their  
11 issuance.

12 Q. Your report uses the term  
13 "investment-oriented purchaser of XRP" in several  
14 places. How do you define an investment-oriented  
15 purchaser?

16 A. I think, in general, throughout the  
17 report I talk about investment-oriented purchasers  
18 and utility-oriented purchasers. Those aren't  
19 mutually exclusive categories. Somebody can be  
20 investment and utility-oriented purchaser. It's  
21 just a reflection of the idea that different types  
22 of reasonable purchasers have different goals in  
23 mind and some of those are to use services on the  
24 blockchain, to use software products, to use  
25 blockchain solutions.

1 [REDACTED] - 2/16/2022

2 Some of the goals include, you know,  
3 speculative profits, short-term profits, long-term  
4 profits, like a lot of the different types of  
5 strategies that we talked about today with regard to  
6 my own activity and experience in the space. And,  
7 you know, those -- those two different types of  
8 goals can overlap or not on a particular person.

9 Q. So how do you define an  
10 investment-oriented purchaser?

11 A. That's a purchaser who is interested in  
12 earning investment gains off of the activity  
13 surrounding, you know, purchasing and selling  
14 digital assets.

15 Q. Are there any other categories of actual  
16 or potential purchasers of XRP other than  
17 investment-oriented and utility-oriented?

18 MR. SYLVESTER: Objection; form.

19 A. Sitting here now, it's not something --  
20 you know, I'd have to think carefully about how to  
21 categorize, you know, each and every possible use  
22 and whether it fits into one of those two buckets or  
23 not. I think, generally, those are the -- the broad  
24 categories that purchasing activity falls under.

25 (Discussion off the written record.)

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2 MR. OPPENHEIMER: Why don't we go off  
3 the record here?

4 THE VIDEOGRAPHER: The time is 4:44.  
5 We're off the record.

6 (Break.)

7 THE VIDEOGRAPHER: The time is 5:02.  
8 We are on the record.

9 Q. A little bit before the break, I had  
10 asked you whether you looked at the statements by  
11 Ripple cited in your expert report at the time you  
12 had decided not to purchase XRP, and I think your  
13 testimony was that you did read many of the  
14 statements in the report at that time. Is that  
15 right?

16 A. I mean --

17 MR. SYLVESTER: Objection; form.  
18 Go ahead.

19 THE WITNESS: Sorry.

20 A. -- when you're asking at that time, I  
21 think it implies a specific point in time but, you  
22 know, over a pretty long period of time, I would say  
23 that I never purchased XRP.

24 So at each kind of point on that  
25 timeline, there would have been different statements



1 [REDACTED] - 2/16/2022

2 in this report that hadn't been made yet, that had  
3 been made yet, public announcements that had been  
4 made or not yet.

5 To the extent they had been made, also  
6 the market reports would be a good example. They  
7 came out once a quarter. So it could have -- it's  
8 hard for me to place for a specific point in time  
9 exactly which ones I have and haven't read, but it's  
10 definitely impossible for me to say that there was a  
11 moment in time that I -- that it was the only moment  
12 that I didn't buy it, and in exactly which subset of  
13 these communications that I'd seen at that point.

14 Q. So sitting here today, giving testimony  
15 under oath, which -- can you say that you recall  
16 seeing any of the statements quoted in your report  
17 prior to your engagement as an expert in this case?

18 A. As somebody who just pays attention to  
19 the articles and reports and press releases that are  
20 out there in the world about blockchain space, I'm  
21 confident that I ran across a lot of the information  
22 that was out there about Ripple and XRP at the time.

23 But sitting here now, I can't  
24 specifically remember whether I had seen a specific  
25 one or not at a particular moment in time.

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2 Q. Can you say that you saw any of the  
3 statements quoted in your report prior to your  
4 engagement as an expert in this case?

5 A. So as I said, I -- I pay close attention  
6 to the blockchain space. I look at a lot of news  
7 interviews, podcasts, things that are written. But  
8 I can't pinpoint for you a specific quote in here  
9 that I did or didn't see at a specific point in  
10 time. So if I -- I can't do it for a -- on a  
11 one-off basis, I can't, you know, collect those and  
12 tell you which, if any, I've seen.

13 Q. Okay. So you --

14 (Discussion off the written record.)

15 MR. OPPENHEIMER: Let's go off the  
16 record.

17 THE VIDEOGRAPHER: The time is 5:05.  
18 We are off the record.

19 (Break.)

20 THE VIDEOGRAPHER: The time is 5:08.  
21 We are on the record.

22 Q. Mr. [REDACTED] I'm going to hand you an  
23 exhibit that's marked as Exhibit [REDACTED] 6.

24 (Exhibit 6 was marked.)

25 Q. This is the amended rebuttal report that

1 [REDACTED] - 2/16/2022

2 you submitted on November 16th, 2021.

3 MR. SYLVESTER: Thanks.

4 Q. Do you recognize this document?

5 A. Yes, I do.

6 Q. Okay. I'm going to start by pointing to  
7 your rebuttal of Professor Osler, and in particular,  
8 Paragraphs 15 to 18 of [REDACTED] Exhibit 6.

9 Now, in responding to Professor Osler,  
10 you say in Paragraph 16: Professor Osler provides  
11 no justification or uses any methodology to explain  
12 why she believes ODL is less costly than traditional  
13 cross-border payments using fiat currency.

14 In Paragraph 17, you respond to Professor  
15 Osler's statement that: ODL can be, and in my  
16 opinion, is a viable option for making cross-border  
17 payments, even if it is not currently viable.

18 And you say that she: Looks at  
19 technology firms, such as Airbnb and Pinterest, but  
20 she just as easily could have looked at unprofitable  
21 companies like Webvan and MoviePass.

22 And then, in Paragraph 18, you look at  
23 her statement that says: I understand that the SEC  
24 has argued that ODL is unprofitable or earns only  
25 de minimis revenue. Assuming that is true, it

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2 provides no information on the firm's ability to  
3 compete as a payment service provider using ODL.

4 And you say with respect to that: In a  
5 similar manner, Professor Osler does not supply any  
6 such information suggesting Ripple was able to  
7 provide an attractive value proposition for ODL in  
8 order to, quote, compete as a payment service  
9 provider, end quote.

10 Do you see those lines of rebuttal?

11 MR. SYLVESTER: Objection. I just  
12 want to say, for the record, the first paragraph of  
13 17 ends in the word "profitable," not "viable."

14 MR. OPPENHEIMER: Oh, thank you.

15 Q. Do you see those rebuttal points?

16 A. Yes.

17 Q. You don't offer any rebuttals to  
18 Professor Osler's opinion outside of Paragraphs 15  
19 to 18 of your rebuttal report, do you?

20 A. I think that there is a lot of  
21 information throughout this rebuttal report about  
22 the cost structure of ODL and the comparisons  
23 between the costs of using ODL compared to other  
24 payment solutions and, you know, Professor Osler  
25 never put forth a specific calculation of estimates

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2 of the costs of using ODL for particular  
3 transactions.

4 Professor Ferrell did that, and I did  
5 that. And I think that, you know, if you're asking  
6 for other discussion about the viability of ODL, I  
7 would point you towards my more in-depth analysis  
8 about the cost structure of ODL in terms of its, you  
9 know, much higher cost structure for particular  
10 transaction sizes and transaction types, compared to  
11 the traditional financial space and how the array of  
12 different subsidies and incentive payments were  
13 required to incentivize market participants to use  
14 that service instead of other services that the core  
15 product offering was much more cost-effective.

16 Q. Where in your rebuttal report do you  
17 offer any rebuttal explanation to show that ODL is  
18 not viable as a matter of economic theory, as  
19 opposed to the actual costs that have been incurred  
20 by previous users?

21 MR. SYLVESTER: Object to form.

22 A. I think I have discussed in several  
23 places, I think, the overall mechanics of ODL and  
24 how it works and why some of the, you know, design  
25 elements of how ODL operates in the world is, you

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2 know, structurally more costly than a traditional  
3 financial system. And those are separate from the  
4 real-world data which calculates specific costs  
5 related to doing those transactions.

6 Q. Point me to a paragraph in your rebuttal  
7 report where you explain why ODL is not viable as a  
8 matter of economic theory?

9 MR. SYLVESTER: Objection; form.

10 Go ahead.

11 A. (Pause.)

12 So in Paragraph 24, I lay out several  
13 factors why structural ODL is -- has elements of the  
14 product offering that are more costly than some  
15 alternatives. And, again, that's separate from  
16 doing a specific analysis looking at the actual  
17 costs incurred by market participants.

18 And so, as an example in the first part  
19 of that, I talk about how the, you know, trade  
20 between a fiat currency and XRP incurs an exchange  
21 fee, and that to use the ODL product, if we take the  
22 example of the most popular payment corridor, which  
23 is the United States to Mexico, thinking about going  
24 from U.S. dollars to Mexican pesos, describe that,  
25 you know, to complete that trade or to -- sorry --

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2 to execute that money transfer across the border,  
3 using ODL requires two sets of exchange trading  
4 fees.

5           Whereas, a traditional payment using the  
6 traditional financial system could be executed with  
7 a single FOREX transaction between dollars and pesos  
8 directly, as opposed to going U.S. dollars to XRP on  
9 one exchange, then transferring assets to another  
10 exchange, and going from XRP to pesos on the other  
11 exchange.

12           In the next example, they are asking  
13 about -- I talk about the, you know, exchange rate  
14 that you see on a lit exchange, actually on a  
15 combination of exchanges.

16           So using that example we were just  
17 talking about, you know, if you combine the -- the  
18 two trades from a exchange from dollars to XRP on  
19 Bitstamp and an exchange from XRP to pesos on Bitso,  
20 you can think about the combination of those trades  
21 as giving you an effective implied exchange rate  
22 from dollars to pesos.

23           And it's possible to, you know, think  
24 about a comparison between, you know, going directly  
25 from dollars to pesos on the iterative bank market,

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2 compared to going from dollars to pesos across  
3 multiple steps using ODL.

4 So the -- looking at the difference  
5 between those two implies an FX spread which has to  
6 be considered. Again, that's separate from looking  
7 at the actual costs of using those services. It's,  
8 you know, looking in the abstract at how those --  
9 the mechanics of both types of transfers work, I  
10 could make a comparison between those two solutions.

11 And, you know, the third example here is  
12 talking about when you actually go to make those  
13 trades on an exchange, you might not get the implied  
14 exchange rate that we just discussed. You're likely  
15 to get an effective exchange rate that's worse than  
16 that from the perspective of the user of ODL of the  
17 money transmitter.

18 So, again, going with the same example  
19 we've been talking about, you could expect to  
20 experience slippage on both of those exchanges. The  
21 slippage from the initial trade from dollars to XRP  
22 has to be combined with the slippage on the second  
23 transaction after making a transfer on the XRP  
24 Ledger with the XRP asset.

25 So then you add in the slippage from the



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2 trade going from XRP to pesos. And the -- the  
3 combination of those needs to be added onto the FX  
4 spread. That's between kind of the benchmark FX  
5 rate and the implied rate.

6 And I think all three of those factors  
7 are -- you know, we can discuss those conceptually  
8 and theoretically without looking at the actual data  
9 that was -- you know, to see what the actual costs  
10 were that were incurred by a specific market  
11 participant on a specific trade.

12 I have taken that step to also look at  
13 the specific cost structure of these transactions  
14 that were experienced by market participants, but if  
15 you're asking about an example of looking more in  
16 the abstract or theoretically about why one might be  
17 advantageous versus the other, I think that would be  
18 one example.

19 And, you know, I feel like we can look to  
20 other parts of the report where sometimes it's  
21 looking at theoretical considerations about the  
22 differences in the, you know, market structures and  
23 the product designs for those solutions.

24 And then, at times, as Professor  
25 Ferrell's report outlines, I, you know, specifically

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2 looked at the trading data to -- to calculate the --  
3 the actual costs incurred by those market  
4 participants.

5 I would say, even in those cases where we  
6 look at the actual data of the costs from one  
7 solution to another solution, despite Professor  
8 Ferrell's numbers being, you know, clearly worse  
9 than traditional financial payments, and despite my  
10 numbers being even -- I believe, the corrected  
11 version of those being even higher than Professor  
12 Ferrell's numbers, nonetheless, I think both of  
13 those sets of calculations that both Professor  
14 Ferrell did and I did are artificially low because  
15 those numbers incorporate subsidies and incentives  
16 that were made by Ripple to incentivize market  
17 participants to participate where they otherwise  
18 wouldn't have.

19 So, for instance, when a market  
20 participant, such as a market maker is involved,  
21 providing liquidity where they wouldn't have  
22 normally been doing that if not for the incentive  
23 structure that was provided by Ripple, certain of  
24 those fees would be even wider.

25 And then I think, you know, beyond market

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2 makers adding liquidity and people even being there,  
3 you know, performing in the first place, there were  
4 specific subsidies to reimburse some of the  
5 theoretical factors that we just talked about. For  
6 instance, there was a slippage pool to reimburse  
7 slippage costs that were incurred by market  
8 participants.

9 And so that would be an example where we  
10 have a theoretical kind of analysis of why one might  
11 be worse than the other. Then we have hard data  
12 about the actual costs of using one versus the  
13 other. And then on top of that we can look to  
14 outside incentives that reimburse some of those  
15 costs to draw conclusions about directionally how  
16 large the costs would have been, you know, over and  
17 above that absent, you know, subsidies and efforts  
18 by Ripple to bring those market participants into  
19 the fold.

20 Q. Are you done your answer?

21 A. Yes.

22 Q. Are you offering an opinion that based on  
23 the exchange trading fees, the implied exchange rate  
24 or FX spread from these transactions in ODL and  
25 slippage that it is impossible for ODL to ever be

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2 less expensive than traditional cross-border payment  
3 rails as a matter of economic theory?

4 MR. SYLVESTER: Object to form and  
5 beyond the scope.

6 A. So the analysis in my report about the  
7 specific advantages and disadvantages of one  
8 (unintelligible) versus another, as well as the cost  
9 structure was focused on the issuance period. So we  
10 asked can they ever. I'd have to, you know, redo  
11 the analysis given, you know, new data since then,  
12 but the data that I had to work with was confined to  
13 the issuance period.

14 I certainly haven't seen anything that  
15 suggests to me that I would change my opinion as  
16 written here, but you're asking about analysis that  
17 was sort of outside of the scope of what I was asked  
18 to do in the analysis that I performed.

19 Q. So you're not offering a forward-looking  
20 opinion as to whether ODL is or is not potentially  
21 viable as a matter of economic theory in the future?

22 MR. SYLVESTER: Object to form.

23 A. So there are times in the report where I  
24 do look into the future and say, you know, here is  
25 the trends of what I'm seeing during the issuance

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2 period. And, you know, based on what I'm seeing  
3 during the issuance period and based on my, you  
4 know, expert analysis of this -- this payment system  
5 and how it works, you know, I can draw some  
6 conclusions about how I expect this to, you know,  
7 develop in the future in terms of the cost  
8 structures.

9 And, you know, I can see what the trends  
10 and the trajectory of those costs look like. Again,  
11 I -- so I have made comments about how I see this  
12 developing in the future. I haven't specifically,  
13 you know, gone back and redone my analysis with  
14 different data, but I haven't seen anything that  
15 would change my opinion now, compared to what I've  
16 said and laid out in the report.

17 Q. So are you offering an opinion that as a  
18 matter of economic theory ODL could never possibly  
19 be viable?

20 MR. SYLVESTER: Objection; asked and  
21 answered.

22 A. What I've -- offering an opinion on is  
23 based on the data during the issuance period to make  
24 assessments about the design of the software  
25 product, the financial product, the cost structure

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2 that was actually experienced on market  
3 participants, and looking at the trajectory of those  
4 going forward.

5 I certainly didn't consider every  
6 possible hypothetical scenario about what this  
7 product could become. I looked closely at the  
8 product as designed, as it functioned, and drew  
9 conclusions about how it operated during the  
10 issuance period and also how I anticipated that it  
11 operated -- it would continue to operate in the  
12 future.

13 I think based on the structural issues  
14 that I identified, if the product is more or less,  
15 you know, similar to the one that I've analyzed with  
16 the same sort of structural problems that I've  
17 analyzed, leading to the real world, you know, cost  
18 differences that I've looked at, then given that  
19 data and that -- my analysis concluded that it was  
20 unlikely to change in that regard going forward.

21 Q. It was unlikely to change in that regard.  
22 Where did you say that in your report?

23 MR. SYLVESTER: Object to form.

24 A. (Pause.)

25 There are several places where I make

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2 statements similar to the one I just made. One of  
3 them is Paragraph 39, where I said the trajectory of  
4 ODL costs for money transmitters at the end of the  
5 issuance period gave no indication that ODL would  
6 have an economical value proposition for financial  
7 institutions to continue to adopt ODL, absent  
8 subsidies provided by Ripple.

9           So there are other examples, but I think  
10 that's one example where as I just mentioned, you  
11 know, given the trajectory of cost structure that I  
12 analyzed during the issuance period, that the basic  
13 structural problems I identified with ODL compared  
14 to other payment mechanisms, such as traditional  
15 financial system or, you know, blockchain transfers  
16 using a stable coin, that the significant subsidies  
17 that were provided by Ripple to incentivize various  
18 market participants to participate in ODL and to  
19 reduce the structural cost advantage to those market  
20 participants, you know, absent those, that the basic  
21 problems I saw would persist into the future.

22       Q.     And you extrapolated that trend from the  
23 last three months of the issuance period. Is that  
24 right?

25       A.     Well, as I mentioned, I think there are

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2 many places in the report where I talk about the  
3 structural cost advantages of many different types  
4 of ODL. But the example you just gave is one  
5 important one, yes. I think Professor Ferrell used  
6 an FX spread for ODL that was -- first of all, there  
7 was an error in the calculation. He said that it  
8 was the average between September -- I'm sorry,  
9 October to December, but that was -- that was  
10 incorrect. Using the same dataset I calculated that  
11 that was lower than the average value.

12 But I think more importantly, and to the  
13 trajectory point that I was just making, Professor  
14 Ferrell described the cost structure as going down  
15 over time but ignored that the last, you know,  
16 four-month period of the issuance period that we  
17 were both -- I think we were both looking at, the  
18 costs were actually increasing, not decreasing. So  
19 that was more a point about the -- directionally the  
20 trajectory of, you know, one specific cost  
21 disadvantage of the ODL system going in a different  
22 direction than -- than I think the other report  
23 indicated.

24 Q. You didn't consider actual data from  
25 after the issuance period, just extrapolating from



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2 those last few months of the issuance period.

3 Right?

4 MR. SYLVESTER: Objection; form, and  
5 mischaracterizes his testimony.

6 Go ahead.

7 A. As I mentioned earlier, I did not redo  
8 this analysis using the actual cost data. My  
9 assignment was to use real world cost data from the  
10 issuance period and to make, you know, calculations  
11 about, you know, the money transfer for particular  
12 scenarios in the real world and what the costs were  
13 for traditional financial payment transfer version  
14 of that versus ODL.

15 And so I didn't redo that entire analysis  
16 with new data that was from after the issuance  
17 period. But I haven't specifically seen anything  
18 that would lead me to change the opinions I made  
19 about the cost structure of ODL compared to other  
20 payment solutions since that point.

21 Q. Let's turn back to Paragraph 24, which  
22 you pointed to earlier. Subpart 3 mentions  
23 slippage, and you talked about that in one of your  
24 earlier answers.

25 Are you aware that Ripple has taken out a

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2 patent on a computer system to eliminate slippage?

3 A. I'm not aware that Ripple has found a way  
4 to eliminate slippage.

5 Q. Would it change your opinion if you  
6 learned that Ripple had taken out a patent on a  
7 computer system designed to eliminate slippage?

8 A. I would certainly need to analyze the  
9 specifics of how that technology worked before I  
10 made any conclusions about anything about that.

11 Q. So you don't know one way or the other  
12 whether that would affect your opinions?

13 MR. SYLVESTER: Objection.

14 A. I would have to look at what that  
15 technology is and what it purports to do, and how it  
16 functions in the real world, look at data and  
17 results. From that, just hearing that somebody has  
18 an approach to reduce costs doesn't change the facts  
19 or the analysis that I've done using real world data  
20 for this money transfer product.

21 Q. You testified earlier that you had  
22 reviewed the transcript of Professor Osler's  
23 deposition. When she mentioned the patent in her  
24 deposition, did you do any analysis to try to find  
25 or evaluate that patent?

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2 MR. SYLVESTER: Are you referencing  
3 her deposition transcript?

4 Q. I asked the question. The question is --

5 MR. SYLVESTER: Okay. Well, let me  
6 place my objection.

7 If you're referencing her deposition  
8 transcript, then I'd ask that you show the witness a  
9 copy of the deposition transcript and point him to  
10 the selection that you're quoting from so that he  
11 can see the context and has some understanding about  
12 what you're saying.

13 Q. You can answer, if you can.

14 A. I don't remember seeing that portion of  
15 the deposition transcript. And I should probably be  
16 more specific in saying that I did not read that  
17 deposition transcript front-to-back. I've read  
18 pieces and portions of that deposition transcript.  
19 I don't remember seeing what you're talking about.

20 Q. Is it fair to say you haven't looked to  
21 try to find that patent that Ripple holds?

22 MR. SYLVESTER: Object to form.

23 A. By "looked for the patent," have I looked  
24 at the -- for the patent office filings and things  
25 like that? No, I have not looked through patent

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2 office filings for technology from Ripple to  
3 eliminate slippage.

4 Q. Okay. Also in Paragraph 24 you have the  
5 discussion of the implied exchange rate. And you  
6 mentioned in your answer earlier that XRP requires  
7 two trades.

8 Isn't it true that for foreign exchange  
9 trades that don't start or end in U.S. dollars,  
10 there is also two currency exchange trades required?

11 A. That is incorrect.

12 Q. And what's your basis for saying that  
13 it's incorrect?

14 A. I have frequently traded FOREX products  
15 and I have traded in trading pairs that do not begin  
16 or end in U.S. dollars that do not require two  
17 different transactions across two different trading  
18 pairs.

19 Q. When did you first begin trading FOREX  
20 products?

21 A. It probably was in 2002.

22 Q. And how many FOREX trades have you  
23 conducted since 2002?

24 A. I can't remember.

25 Q. Do you have an estimate?

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2 A. It's many, but I don't have a specific  
3 estimate over, you know, 19 years of activity.

4 Q. More than a thousand?

5 A. Sorry?

6 Q. More than a thousand?

7 A. That --

8 MR. SYLVESTER: Objection; form.

9 Go ahead.

10 A. I'm not going to be able to nail down a  
11 specific number, but I think it's very likely it's  
12 well more than a thousand, yes.

13 Q. And which trading pairs have you traded  
14 in that don't involve U.S. dollars?

15 A. Australian dollars and New Zealand  
16 dollar.

17 Q. Is that the only one?

18 MR. SYLVESTER: Objection; form.

19 Go ahead.

20 A. I'd have go back and think carefully  
21 about every trading pair I ever traded in, but what  
22 I can say is that I've traded many different trading  
23 pairs. Some of those don't involve U.S. dollars on  
24 the front end or the back end so that's -- that's  
25 why I would say it's an accurate statement that

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2 every trading pair begins or ends in U.S. dollars.

3 Q. Do you know if there is a liquid trading  
4 pair between Australian dollars and Philippine  
5 pesos?

6 MR. SYLVESTER: Objection; form.

7 A. I haven't looked recently at the  
8 liquidity of a trading pair between -- you gave the  
9 example of Australian dollars and Philippine pesos.  
10 Is that right?

11 Q. (Nods.) So you don't know, sitting here  
12 today, whether that is a liquid trading pair?

13 A. For that specific trading pair? I -- I  
14 have not traded that trading pair. I've traded  
15 Australian dollars against different currencies, but  
16 I haven't attempted to go from -- as far as I can  
17 remember, specifically from Australian dollars to  
18 Philippine pesos.

19 Q. Do you know how much volume ODL has  
20 today?

21 MR. SYLVESTER: Objection; form.

22 A. You're asking for daily or monthly volume  
23 figures of, like, today, this week, this month? I  
24 haven't seen that data.

25 Q. Do you know whether ODL volumes have been

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2 upwards of hundreds of millions of dollars  
3 equivalent -- U.S. dollars equivalent over the past  
4 several quarters?

5 MR. SYLVESTER: Objection; form.

6 A. I haven't looked at the data for ODL  
7 volumes recently.

8 Q. Are you offering an opinion that any  
9 money transmitter that is using ODL is using an  
10 inherently inferior product?

11 MR. SYLVESTER: Objection; form,  
12 beyond the scope.

13 A. What I looked at was the structure of ODL  
14 during the issuance period and the data provided  
15 especially by -- related to MoneyGram during the  
16 issuance period. As I mentioned earlier, I think  
17 the peak of that activity before a precipitous drop  
18 in the volume of ODL transactions, MoneyGram made up  
19 something like 95 percent of those transactions and  
20 most of that was on the U.S. dollar to Mexican peso  
21 corridor. I'm very familiar with the cost structure  
22 of those transactions.

23 I've also looked at the many subsidies  
24 that MoneyGram and other market participants  
25 received for those transactions and that's the data

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2 and the analysis I used to conclude that those  
3 subsidies were an important piece of MoneyGram's  
4 participation.

5 I think that that -- that analysis is  
6 also consistent with something we talked about  
7 earlier which was that I looked at statements from  
8 the MoneyGram CFO who directly said that absent  
9 those subsidies, ODL would not be a -- I'm  
10 paraphrasing him, but he said something along the  
11 lines of absent the significant subsidies from  
12 Ripple, ODL would not be a competitive product or a  
13 cost-effective product for them which, you know,  
14 strongly implied that -- the same conclusion that I  
15 drew from looking at the real world data, which was  
16 that, you know, absent the volume-based incentives,  
17 the slippage pool, the lower spreads due to  
18 incentives to market-makers, about all those things,  
19 they would have, you know, had lower costs by  
20 sticking with a traditional financial system. And I  
21 think that's also reflected in just the total  
22 volumes that they did so, you know, they had a large  
23 business doing cross-border payments and ODL was a  
24 relatively small piece of that total -- that total  
25 business. Even though MoneyGram was 95 percent of



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2 ODL transactions, you know, ODL transactions were  
3 only a, you know, relatively small minority of  
4 MoneyGram transactions.

5 So I think all those things together led  
6 to my conclusions that based on everything I saw  
7 that was from data and analysis during the issuance  
8 period, they were, in large part, participating in  
9 that program due to the significant incentives and  
10 subsidies that were in place.

11 Q. Take a look at Page 16 of Exhibit 6,  
12 Section 2.6.1 of your rebuttal report. The heading  
13 in Section 2.6.1 is: Professor Ferrell's Own  
14 Calculations that ODL, without Subsidies, Is  
15 Uneconomical for Financial Institutions such as  
16 MoneyGram.

17 Do you see that?

18 A. Yes.

19 Q. You aren't offering an opinion that ODL  
20 is uneconomical for all financial institutions, are  
21 you?

22 MR. SYLVESTER: Objection; form.

23 A. What I analyzed was the product offering  
24 of ODL as it existed during the issuance period, as  
25 well as the, you know, real world data and, you

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2 know, MoneyGram's activity on that system I think is  
3 a very good representation of the economics of  
4 market participants in general because 95 percent of  
5 activity was MoneyGram's.

6 I think if you were to average the cost  
7 structure of other market participants, given that I  
8 looked specifically at 95 percent of the volume, I  
9 think that's a good sample of the total cross-border  
10 payments that were made on ODL at that time. So  
11 that leads me to conclude that, you know, other  
12 financial institutions would have, you know, a  
13 similar cost structure.

14 I think if another financial institution  
15 had a significantly superior cost structure to  
16 MoneyGram, then it stands to reason that they would  
17 have participated on ODL in greater numbers and ODL,  
18 you know, just to take an example again, you know,  
19 May 2020, if another financial institution had a  
20 very significant cost advantage in how they ran  
21 their business using ODL, it's probably likely that,  
22 you know, MoneyGram's total volume would have been  
23 significantly less than 95 percent of those  
24 transactions.

25 The fact that they comprised such a large

1 [REDACTED] - 2/16/2022

2 portion of those transactions tells me that, you  
3 know, whether from the underlying cost structure of  
4 the product or from the subsidies, you know, they  
5 were more well-positioned to -- to benefit from  
6 doing those -- those transactions.

7 And as I analyzed, the vast majority of  
8 those benefits came from the subsidies, not the  
9 underlying cost structure. And that's, you know,  
10 backed up by the CFO's comments that basically said  
11 exactly -- and again paraphrasing -- said exactly  
12 that.

13 Q. What analysis did you do to determine  
14 whether MoneyGram's cost structure made it an ideal  
15 customer for ODL as compared to other money  
16 transmitters?

17 MR. SYLVESTER: Object to the form.

18 A. Yeah. I think that looking at the  
19 dominance of MoneyGram on the ODL system in terms of  
20 their share of ODL transactions, it stands to reason  
21 that they -- they had a, you know -- they had a  
22 reason to make those transactions, that some of  
23 their competitors, they might have looked at -- you  
24 know, I can't put myself in their shoes, but  
25 presumably, they looked at the same product and made

1 [REDACTED] - 2/16/2022

2 a decision not to participate.

3 So I haven't seen real world data from  
4 the other, you know, competitors of MoneyGram that  
5 weren't participating in ODL. I can just see the  
6 real world transactions that took place on ODL with  
7 MoneyGram and note that MoneyGram was the vast  
8 majority of the transaction activity on ODL.

9 Q. Take a look at Paragraph 33 of your  
10 rebuttal report. In Paragraph 33, you opine that,  
11 quote, it is not appropriate to use this low  
12 transaction size --

13 MR. SYLVESTER: Sorry, Brad, where  
14 are you?

15 MR. OPPENHEIMER: At the  
16 second-to-last sentence.

17 MR. SYLVESTER: On Page 19?

18 MR. OPPENHEIMER: Yeah, Page 19.

19 MR. SYLVESTER: Okay.

20 Q. "It is not appropriate to use this low  
21 transaction size" --

22 Which a few words earlier was  
23 approximately \$12,000.

24 -- "for traditional transfers to  
25 calculate break-even costs for ODL since MoneyGram

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2 would normally have batch transfers in much larger  
3 sizes absent ODL?"

4 Do you see that?

5 A. Yes.

6 Q. And in support, you say: According to  
7 MoneyGram's CFO, virtually all other money  
8 transmitters batch their payments and, thus, even  
9 smaller money transmitters would not find ODL to be  
10 economically viable relative to the traditional  
11 financial system.

12 Do you see that?

13 A. Yes.

14 Q. And you cite the transcript of  
15 Mr. Angelilli for it. Right?

16 A. Let me see.

17 Q. Footnote 37.

18 A. Footnote 37. And then there  
19 is something -- where is Footnote 37? Yeah, I  
20 think -- I think both of those footnotes speak to  
21 that point, yeah, generally. Yes, I see that.

22 Q. Okay. I'm going to mark as [REDACTED]  
23 Exhibit 7 the transcript of the deposition of  
24 Mr. Angelilli.

25 (Exhibit 7 was marked.)

1 [REDACTED] - 2/16/2022

2 Q. Thank you.

3 Footnote 37 accompanies a sentence that  
4 says: Virtually all other money transmitters --

5 Well, I'll read the whole thing.

6 -- according to MoneyGram's CFO,  
7 virtually all other money transmitters batch their  
8 payments?

9 And Footnote 37 cites to Pages 73 and 74  
10 of this transcript. Can you tell me where on  
11 Pages 73 and 74 of this transcript Mr. Angelilli  
12 says that virtually all other money transmitters  
13 batch their payments?

14 A. (Pause.)

15 I don't see it here. I think that it's  
16 possible this was a mistake in specifically which  
17 portion of this testimony was being referenced. I  
18 can -- I generally have in my mind the -- the gist  
19 of the -- the statements that I was referring to,  
20 but I don't think it's this specific page of the  
21 deposition.

22 Q. Okay. Are you familiar with the  
23 distinct -- or -- withdrawn.

24 What's the difference between FX  
25 disadvantage and FX spread?

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2 MR. SYLVESTER: Objection;

3 foundation.

4 A. Those -- depending on who you're talking  
5 to, those statements can have different meanings.  
6 Typically, I think the way FX spread is discussed in  
7 the context of Professor Ferrell's report, in my  
8 report, FX spread refers to the -- the difference  
9 in, you know, the exchange rate from the -- the lit  
10 market rate on two exchange transactions through ODL  
11 versus the FX spread between the two currencies that  
12 would be experienced with the traditional trade such  
13 as on the interbank market.

14 So the spread between those two rates  
15 would be what's referred to as the FX spread.  
16 Whereas, I -- I have to look at a specific place  
17 where you're referring to FX's advantage to give the  
18 compare and contrast between those, but that's  
19 what's generally being referred to when we're  
20 talking about FX spread.

21 Q. The FX spread doesn't include exchange  
22 fees, does it?

23 A. The way that I've broken out the -- the  
24 cost structures here, the FX spread is a separate  
25 concept from -- from the trading fees that are

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2 experienced on exchange. Yes.

3 So if you look at my -- so either  
4 Professor Ferrell's table which is, I think, Table 1  
5 and Table 2, if I'm not mistaken, you see different  
6 fees here for the exchange fees on Bitstamp and  
7 Bitso and you see a separate breakout of FX spread,  
8 same thing on Table 2.

9 And I think if you look at summary of my  
10 analysis of the cost calculations, the same thing,  
11 you see exchange fee for Bitstamp, you see an  
12 exchange fee for Bitso, and then you see an FX  
13 spread separate to that.

14 Q. Take a look at Page 23, Figure 4.  
15 Figure 4 is labeled: Average monthly FX spread  
16 using ODL in the USD-MXN corridor in 2020.

17 Are you aware that the numbers reflected  
18 in that figure actually include the exchange fees?

19 A. I don't believe that's accurate.

20 Q. Take a look at Paragraph 40 of your  
21 rebuttal report, Exhibit 6. Near the end of this  
22 paragraph on Page 26, it looks like the second --  
23 third-to-last sentence, you write, quote, MoneyGram  
24 averaged \$73 million in monthly transactions for the  
25 U.S. to Mexico payment corridor.



1 [REDACTED] - 2/16/2022

2 And you state that this, quote,  
3 Corresponds to exchange fees of 7 basis points for  
4 Bitstamp and 26 basis points for Bitso.

5 And then you opine that, quote, The total  
6 exchange fees should, therefore, be 33 basis points  
7 instead of the 10 basis points used in the Ferrell  
8 report's higher market liquidity scenario shown in  
9 Table 2.

10 Do you see that?

11 MR. SYLVESTER: Objection. For the  
12 record you did not read the last three sentences.  
13 In the third-to-last sentence you omitted the words  
14 "in 2020."

15 MR. OPPENHEIMER: Thanks.

16 Q. Do you see that part of your opinion?

17 A. Yes. In relation to the last thing that  
18 we just talked about, the 10 basis points that are  
19 use as the exchange fees for Ferrell's report are,  
20 alone, higher than the FX spread shown in September  
21 of the FX spread on that chart. So it's not  
22 possible for the FX spread for that month to include  
23 his exchange rate fees.

24 Q. Are you -- you're -- you're critiquing  
25 Professor Ferrell in this passage for understating

1 [REDACTED] - 2/16/2022

2 the exchange fees from his analysis. Right?

3 A. What I've generally pointed out on -- in  
4 this section is that I looked up the real world  
5 exchange fees on the specific exchanges that are  
6 involved in this transaction and they're a different  
7 number than -- to be clear, there's a special rate  
8 on exchanges at times just for particular assets.  
9 If those exchange fees are subsidized by some third  
10 party.

11 And so the numbers that Ferrell used  
12 included subsidies from Ripple to the exchange, you  
13 know, direct payments made by Ripple. And my  
14 understanding, that's -- that's a direct agreement  
15 to specifically lower the exchange fees paid by  
16 market participants on that exchange with that  
17 particular digital asset.

18 And the point I'm making here is that if  
19 you want to look at the underlying cost structure of  
20 the ODL product that the appropriate number to use  
21 is the exchanges -- exchange fees across their  
22 products, that'd be an unsubsidized number.

23 So I'm comparing the unsubsidized  
24 exchange fees to make this calculation, whereas  
25 Professor Ferrell is using the subsidized --

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2 subsidized fees.

3 Q. 26 basis points isn't actually the  
4 unsubsidized fee that would apply on Bitso, is it?

5 MR. SYLVESTER: Objection; form.

6 Go ahead.

7 A. So if a user logs on to a Bitso account,  
8 when this screenshot in Figure 6 was taken, and they  
9 trade with a digital -- they traded a digital asset  
10 that was not specifically subsidized to have a lower  
11 number, they just used the exchanges, you know,  
12 exchange rate to trade their, you know, default  
13 value for digit assets, that number is accurate.

14 Q. You -- I'm sorry.

15 A. I think --

16 Q. Go ahead?

17 A. Again, I think I recognize that for  
18 specific assets on specific exchanges, the exchange  
19 rate could be lower. But, you know, the point I'm  
20 making is that some of those change rates on  
21 specific assets were lower not because the -- it was  
22 cheaper for the exchange to provide that service.  
23 They were lower because they had specifically been  
24 paid money from a third party to subsidize that  
25 activity of trading of that asset. And I think this

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2 is -- this is exactly what happened with Bitso and  
3 XRP.

4           So I'm not disputing that people might  
5 have experienced that rate in the real world, but  
6 I've recognized that difference and tried to show  
7 that I'm calculating an unsubsidized, you know, cost  
8 calculation for using ODL. To the extent that I can  
9 unwind different subsidies and sometimes those are  
10 baked in where I can't unwind those, in some cases I  
11 can. This is an example that I can unwind the  
12 effect of the subsidy on the cost structure from  
13 what the underlying cost would be to make that  
14 trade, you know, absent the subsidies.

15       Q.     You got the 26 basis points by looking at  
16 the table you included in Figure 6 of your report  
17 and going down to where the number -- the volume  
18 would be greater than 50 million. Is that right?

19           MR. SYLVESTER: Object to form.

20       Q.     Based on the \$73 million volumes you  
21 describe in Paragraph 40?

22           MR. SYLVESTER: Object to form.

23           Go ahead.

24       A.     So based on MoneyGram's average  
25 transaction of OEMs in 2020 of 73 million, you'd

1 [REDACTED] - 2/16/2022

2 look down the list of Bitso's transaction fees on  
3 the taker column because MoneyGram would be, in any  
4 given transaction, likely to be the taker rather  
5 than the maker in that transaction, and look for the  
6 value that's greater than \$50 million of monthly  
7 transaction volume and less than 150 million.

8 Q. But the volume numbers are given in  
9 Mexican pesos, aren't they?

10 MR. SYLVESTER: Object to form.

11 A. It does say transactions are in Mexican  
12 pesos. Yes.

13 Q. If you convert to Mexican pesos you'd end  
14 up with a lower fee than the one you described in  
15 your report. Right?

16 A. Yes.

17 Q. Take a look at Paragraph 20 -- I'm sorry,  
18 Paragraph 92 of your rebuttal report. In  
19 Paragraph 92 you're responding to the expert report  
20 filed by Professor Yadav.

21 MR. SYLVESTER: Brad, if we're going  
22 to move on to a different section of his rebuttal  
23 report is now a good time for a break?

24 MR. OPPENHEIMER: Sure. Let's take a  
25 break.

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2 THE VIDEOGRAPHER: The time is 6:02.  
3 We're off the record.

4 (Break.)

5 THE VIDEOGRAPHER: The time is 6:18.  
6 We're on the record.

7 Q. You testified earlier that you had not  
8 disabled TweetDelete after being engaged as an  
9 expert in this case. Did you ever enable  
10 TweetDelete after you had been engaged as an expert  
11 in this case?

12 A. I can't remember when TweetDelete came on  
13 and off. I just know that generally for the whole  
14 six-year period I typically had TweetDelete enabled.

15 Q. I want to show you an exhibit that we'll  
16 mark as [REDACTED] Exhibit 8.

17 (Exhibit 8 was marked.)

18 Q. [REDACTED] Exhibit 8 is a web archive capture  
19 of the Sierra Iguana Twitter page from October 15th,  
20 2021. I want to look down --

21 (Discussion off the written record.)

22 Q. And if you look at the tweets shown on  
23 this page, they go back at least to September 7th.  
24 Do you see that?

25 A. Yes, I see that.

1 [REDACTED] - 2/16/2022

2 Q. Does that suggest to you that TweetDelete  
3 was not enabled as of October 15th?

4 A. That does not suggest that to me, no.

5 (Discussion off the written record.)

6 Q. Why do you think  
7 TweetDelete -- withdrawn.

8 Is it -- do you think that TweetDelete  
9 was enabled as of October 15th, 2021?

10 A. I think so, but I'm not sure about a  
11 specific point in time.

12 Q. If TweetDelete was enabled as of  
13 October 15th, 2021, would you expect to see tweets  
14 going back to September 7th as of that date?

15 A. I'm not sure. It depends on the amount  
16 of time that TweetDelete would have been set in  
17 terms of how many days back it went.

18 Q. Why did you change your account to  
19 protected on or after October 15th, 2021?

20 MR. SYLVESTER: Objection; asked and  
21 answered.

22 A. So as I said earlier, I think the first  
23 time I protected my account was probably six years  
24 ago in January of 2016. There have probably been  
25 times since then that it's been toggled back and

1 [REDACTED] - 2/16/2022

2 forth, but that certainly wasn't the first time that  
3 I protected the account.

4 Q. Take a look at the tweet from  
5 September 28th. It's the first one on this list.  
6 This appears to be in response to somebody who  
7 writes, quote, Musk, I don't think crypto is  
8 the second -- is Second Coming of the Messiah.

9 And the response says: Holy shit. That  
10 means it's the first one.

11 What did you mean by that?

12 A. It was --

13 MR. SYLVESTER: Object to form.

14 Go ahead.

15 A. It was a joke about -- you know, about  
16 Musk's comment.

17 Q. And what did you mean by that joke?

18 A. I think -- I think it's self-explanatory,  
19 but Musk is saying that it's not the Second Coming  
20 of the Messiah, so the joke would be that the  
21 logical conclusion would be that he's saying it's  
22 the first, instead of the second.

23 Q. If you look at the second, third, fourth,  
24 the fifth -- sixth tweet down the page, this is one  
25 dated September 7th, and it says: If Brian



1 [REDACTED] - 2/16/2022

2 Armstrong actually doesn't understand how lending  
3 products can be securities...hoo, boy.

4 What did you mean by that?

5 A. This is in response to a tweet by Brian  
6 Armstrong that says: How can lending be a security?

7 I think that, in reality, there are  
8 plenty of lending products that are securities.

9 Q. What analysis have you done to figure out  
10 which lending products are securities?

11 MR. SYLVESTER: Objection;  
12 foundation.

13 A. I just know that in the real world, there  
14 are financial products that have registered as  
15 securities or that, you know, speak about themselves  
16 as being securities in the real world.

17 Q. Do you consider the possibility that a  
18 financial product may qualify as a security when you  
19 make investment decisions on behalf of [REDACTED]

20 [REDACTED]

21 A. Sorry. Say it again.

22 Q. Do you consider the possibility that a  
23 financial product may qualify as a security when you  
24 make investment decisions on behalf of [REDACTED]

25 [REDACTED]

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 A. When I make investment decisions on  
4 behalf of [REDACTED], I consider a variety of  
5 risk factors. Some of those risk factors are  
6 regulatory risks, so I do think about whether a  
7 particular asset is more or less likely to be, you  
8 know, considered a security.

9 Q. Have you ever tweeted about XRP?

10 A. I don't remember anything specific like  
11 that.

12 Q. Do you remember one way or the other  
13 whether you have or have not?

14 MR. SYLVESTER: Objection; asked and  
15 answered.

16 A. I don't remember.

17 Q. You testified earlier a bit about an NDA  
18 that you have with [REDACTED]. Are you  
19 willing to ask [REDACTED] to release you from  
20 that NDA?

21 A. I can consider having that discussion.

22 Q. Have you attempted to have that  
23 discussion in connection with your offering an  
24 expert report in this case?

25 A. No.

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2 MR. SYLVESTER: Object to form.

3 Just got to hang on for the

4 objection.

5 THE WITNESS: Sorry.

6 Q. Take a look at Paragraph 95 of your  
7 rebuttal report, which is responding to Professor  
8 Yadav, in Paragraph 95, you say: The four indicia  
9 used by Professor Yadav to determine the geographic  
10 location of digital asset trading platforms  
11 critically omit a key factor - the location of a  
12 digital asset platform's servers.

13 Is it your opinion that servers are an  
14 important factor in determining where offers on an  
15 exchange become final and binding?

16 MR. SYLVESTER: Objection; form,  
17 beyond the scope.

18 A. I think that the motivation for  
19 discussing that factor here was that there were  
20 points in Professor Yadav's report that did discuss  
21 the location of the digital asset platform servers,  
22 and then other parts of the report where those were  
23 left out.

24 I think I say here Professor Yadav  
25 mentions the digital asset platform servers as a

1 [REDACTED] - 2/16/2022

2 potential indicia of location and gives weight to  
3 this indicium by listing it alongside other indicia  
4 that were actually employed in determining the  
5 location of a digital asset platform.

6 So there are parts of the report where  
7 she talks about -- where the -- where Professor  
8 Yadav speaks about location of servers, and there  
9 are other parts where that is kind of left out of  
10 the analysis.

11 Q. I didn't ask you about your motivation.  
12 My question was, is it your opinion that servers are  
13 an important factor in determining where offers on  
14 an exchange become final and binding?

15 A. I think, first of all, the opinion I put  
16 forth was that the word "offer" is broader than just  
17 where a trade is matched on a server -- or sorry --  
18 on an exchange. There is a broader offering process  
19 at play there that incorporates, you know,  
20 facilitating those transactions with explaining to  
21 investors where they can find, you know, platforms  
22 and fora that include that particular digital asset.

23 It includes advertising to people that  
24 they should buy it, and it includes all the steps  
25 along the way of entering an order, and having that

1 [REDACTED] - 2/16/2022

2 order be matched and completed.

3 So when you're asking about if it's an  
4 important factor, I'd said there are a lot of  
5 different factors at play. The location of the  
6 participants, whether that's individuals, companies,  
7 and also servers, the location of all those are  
8 important to that process.

9 Q. Suppose an exchange had servers in ten  
10 different countries. Is it your opinion that that  
11 exchange would be located in all ten different  
12 countries?

13 A. I think that a company that has many  
14 other indicators that they're in a particular  
15 country, that that company doesn't become a --  
16 classified as existing in many different countries  
17 at once if they just, you know, move some of their  
18 code to, for instance, a cloud server in several  
19 countries.

20 So I don't think that a company can  
21 suddenly -- you can suddenly ignore the other  
22 factors that are involved there. I think all of the  
23 factors have to come into play.

24 Q. Suppose the Tokyo Stock Exchange places a  
25 server in New York. Is it your opinion that this

1 [REDACTED] - 2/16/2022

2 means some trades on the Tokyo Stock Exchange now  
3 occur in the United States?

4 A. I'm sorry. Read the hypothetical again.

5 Q. Suppose the Tokyo Stock Exchange places a  
6 server in New York. Is it your opinion that that  
7 means some trades on the Tokyo Stock Exchange now  
8 occur in the United States?

9 A. I'd have to look at the -- all the  
10 details around that stock exchange, their business,  
11 and how they operate to make that determination. I  
12 think, sitting right here, just telling me that  
13 there is one factor that's involved and that's  
14 changed, I can't really say how that would play out  
15 in my analysis.

16 Q. What details would you need about the  
17 stock exchange, their business, and how they  
18 operate?

19 A. I would need to look at a variety of  
20 factors to understand -- to understand that,  
21 including, you know, where the company is located,  
22 you know, where they have advertised to customers,  
23 the languages that they've used to serve those  
24 customers, the platforms and the type of advertising  
25 campaigns they've used to reach customers. And

1 [REDACTED] - 2/16/2022

2 there are other factors involved as well. That's  
3 just an example.

4 Q. Any other factors you would need to  
5 understand?

6 A. I -- I'd first want to, you know, look at  
7 the specific question in front of me because, I  
8 mean, I think you're talking about a type of  
9 platform that's inherently different than a digital  
10 asset trading platform in this hypothetical. And  
11 there are similarities and differences but, you  
12 know, I think I have mentioned some of the relevant  
13 factors that are involved.

14 Q. Are there other relevant factors you  
15 would need to consider?

16 A. Yes, there are.

17 Q. What other factors?

18 A. Like I said, sitting here right now, I  
19 can't think of all of them but, you know, as an  
20 example, if -- if an exchange had a lit exchange  
21 that was based in one country and, you know, made --  
22 facilitated direct sales in another country or  
23 over-the-counter sales somewhere else, that could be  
24 an important piece of information.

25 Yeah, basically, you know, there might be

1 [REDACTED] - 2/16/2022

2 other venues or areas where the trades took place,  
3 rather than just that single server that you've  
4 mentioned, you know, could hypothetically move from  
5 Point A to Point B.

6 Q. Any other factors you'd need to consider?

7 A. Along with the process that's kind of  
8 laid out in my report for making those decisions, I  
9 can't specifically think of how a traditional  
10 financial exchange would differ.

11 Q. Did you consider all of those factors  
12 with respect to determining where Bitbank is  
13 located?

14 MR. SYLVESTER: Objection; form.

15 A. No, I did not.

16 Q. Did you consider all of those factors  
17 with respect to where Bitfinex is reported -- is  
18 located?

19 MR. SYLVESTER: Objection; form.

20 A. You know, the work I've done to look at a  
21 specific exchange, to the extent that I looked at  
22 that, is discussed in my report. I mean, I kind of  
23 walk through some of the -- the reasons there that I  
24 think -- the factors that were not present in  
25 Professor Yadav's report should be included and some



1 [REDACTED] - 2/16/2022

2 of the ways that the factors applied by Professor  
3 Yadav were applied inconsistently.

4 Q. Mr. [REDACTED] it's a question --

5 MR. SYLVESTER: Let him finish the  
6 question, please.

7 Q. Go ahead.

8 A. But sitting here now, if you're asking me  
9 to do a new piece of analysis, I would need to study  
10 that and --

11 Q. I --

12 A. -- and, you know, apply the specifics of  
13 that type of exchange which is used as a digital  
14 asset exchange, and I need to think through that.

15 Q. I'm not asking you to do a new analysis.  
16 I'm not asking you to walk through other things you  
17 discuss in your report. My question is, all of  
18 those factors that you just listed in response to my  
19 question, did you consider all of those factors with  
20 respect to Bitfinex?

21 A. (Pause.)

22 I'm trying to refresh my memory if there  
23 was anything specific to Bitfinex in here, but  
24 beyond what I've just said, but I don't think there  
25 is.

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Counsel, is there a  
3 specific portion of the report you want to direct  
4 him to, to answer your question?

5 MR. OPPENHEIMER: No. I think he's  
6 right. I don't think there is.

7 Q. You didn't consider each of those factors  
8 that you just identified in response to my questions  
9 as to any of the roughly two dozen exchanges that  
10 Professor Yadav listed in her report, did you?

11 MR. SYLVESTER: Objection; form.

12 A. I'm sorry. Can you repeat that?

13 Q. You didn't consider each of those factors  
14 you just identified in response to my question as to  
15 any of the roughly two dozen exchanges that  
16 Professor Yadav identified in her report, did you?

17 MR. SYLVESTER: Same objection.

18 A. The analysis I did related to the -- to  
19 Professor Yadav's analysis is laid out in the  
20 rebuttal, and you can see the steps I took to -- to  
21 look at those here, and I think -- you know, you've  
22 asked a hypothetical about how I would analyze a  
23 different kind of platform. I've given some  
24 additional factors that I might consider and -- but,  
25 you know, the factors that I did consider and the

1 [REDACTED] - 2/16/2022

2 analysis I did do is laid out in the report.

3 Q. What did you do to prepare for your  
4 deposition today?

5 MR. SYLVESTER: Object to form.

6 Go ahead.

7 A. I've read through my own report. I've  
8 read through the reports that I rebutted. And I've  
9 just generally refreshed myself on the -- the  
10 reports that I wrote and the analysis that I did.

11 Q. Did you meet with the SEC's counsel at  
12 all?

13 A. Yes.

14 Q. How many times?

15 A. I think four.

16 Q. And approximately how many hours total  
17 did you spend in those four meetings?

18 A. I can't remember exactly.

19 Q. Do you have an estimate?

20 A. Probably something like 20 hours. Like  
21 four hours each.

22 Q. Who was present at the first meeting?

23 A. Mark Sylvester. And I can't remember  
24 specifically for each meeting, but generally those  
25 meetings included Daphna Waxman and Mark Sylvester.

1 [REDACTED] - 2/16/2022

2 Q. Anyone else?

3 A. I don't think so.

4 Q. Was there anyone outside the SEC present  
5 at those meetings?

6 A. I was present at those meetings.

7 Q. In addition to you, was there anyone  
8 outside the SEC who was present at those meetings?

9 A. I don't think so.

10 Q. Okay. During those meetings were you  
11 shown any documents that refreshed your recollection  
12 as to the issues in this case?

13 A. I was shown the documents that I just  
14 mentioned that I've, you know, read again more  
15 recently, including my own -- primarily my own  
16 expert reports.

17 Q. Any documents other than the expert  
18 reports that refreshed your recollection?

19 MR. SYLVESTER: Objection. I'm going  
20 to instruct you not to answer that question to the  
21 extent it reveals work product. If you can answer  
22 that question without identifying any documents that  
23 were selected by the SEC to show you during your  
24 prep sessions, you can answer it.

25 MR. OPPENHEIMER: Wait, wait, wait.

1 [REDACTED] - 2/16/2022

2 If it refreshed his recollection, that's not work  
3 product. That's something that refreshes a witness'  
4 recollection and that's discoverable. I'm not  
5 asking for everything you showed him. I asked were  
6 there any documents, other than the expert reports,  
7 that refreshed his recollection.

8 MR. SYLVESTER: Okay. I'm fine with  
9 that. You can answer that.

10 A. Sitting here right now, I can't remember  
11 specific documents that I looked at.

12 Q. Okay. Did anyone provide comments on any  
13 drafts of your expert report in this case?

14 A. Yes.

15 Q. Who?

16 A. [REDACTED], [REDACTED], [REDACTED]  
17 [REDACTED] (phonetic), [REDACTED], Mark Sylvester,  
18 Daphna Waxman. I can't remember who else.

19 Q. Are all of those folks that you just  
20 listed associated with either the SEC or Integra?

21 A. Yes.

22 Q. Is it -- would that be the same set as to  
23 your rebuttal report?

24 MR. SYLVESTER: Objection. Sorry. I  
25 thought you were answering both reports together,

1 [REDACTED] - 2/16/2022

2 but maybe you weren't.

3 A. Yeah. I think it's the same answer for  
4 both. Yeah.

5 Q. Okay.

6 MR. OPPENHEIMER: Let's go off the  
7 record here.

8 THE VIDEOGRAPHER: The time is 6:42.  
9 We're off the record.

10 (Break.)

11 THE VIDEOGRAPHER: The time is 6:53.  
12 We are on record.

13 MR. OPPENHEIMER: I have no further  
14 questions at this time.

15 EXAMINATION

16 BY MR. SYLVESTER:

17 Q. Mr. [REDACTED] I have a few questions for  
18 you.

19 You'll recall earlier today that you were  
20 asked questions by Mr. Oppenheimer about Footnote 37  
21 of your rebuttal report, [REDACTED] 6?

22 MR. OPPENHEIMER: What page is that  
23 on?

24 MR. SYLVESTER: That is on Page 19.

25 Q. Do you recall answering questions about

1 [REDACTED] - 2/16/2022

2 Footnote 37 on Page 19?

3 A. Yes.

4 Q. And do you recall reviewing

5 Mr. Angelilli's deposition transcript marked

6 [REDACTED] 7?

7 A. Let me see if that's the one. [REDACTED] 7.

8 I looked at Page 73 and 74 of -- is it Exhibit 7?

9 Yeah, I remember that. Page 73 and 74 of Exhibit 7.

10 Q. And do you recall testifying that you  
11 weren't able to find the material you were citing on  
12 Pages 73 and 74?

13 A. Yes.

14 Q. Since then have you had the opportunity  
15 to locate the material that you intended to cite to  
16 support your proposition cited by Footnote 37?

17 A. Yes.

18 Q. And is that on Pages 80 and 81 of  
19 [REDACTED] 7?

20 A. I think it bleeds over past 81. I think  
21 it would be 80 through 82.

22 Q. Okay. And what information on 80 through  
23 82, in your view, supports your proposition that's  
24 been cited in Footnote 37?

25 A. Mr. Angelilli is discussing aggregating

1 [REDACTED] - 2/16/2022

2 transactions together instead of conducting them on  
3 a one-off basis. Basically he's comparing doing  
4 remittance-by-remittance transfers compared to  
5 aggregating transfers over a longer period of time.

6 MR. SYLVESTER: Okay. I have no  
7 further questions. Do you have any redirect?

8 MR. OPPENHEIMER: I do, very brief.

9 EXAMINATION

10 BY MR. OPPENHEIMER:

11 Q. In the Angelilli transcript, [REDACTED]  
12 Exhibit 7, it looks like you were just talking about  
13 material on Pages 80, 81, and 82. Did you also  
14 consider material on Page 79?

15 A. I can't remember exactly which parts of  
16 this I read, but I do recognize the discussion on  
17 Page 79. So I think I looked at Page 79 as well.

18 Q. And you see at Line 16 on Page 79 the  
19 question is: Does the ODL technology have the  
20 potential to allow for remittance-by-remittance-type  
21 transfers?

22 And the answer is: In its purest form,  
23 yes.

24 Do you see that?

25 A. Yes.



1 [REDACTED] - 2/16/2022

2 MR. OPPENHEIMER: No further  
3 questions for me.

4 MR. SYLVESTER: Okay. I'd like to  
5 mark this transcript highly confidential.

6 THE VIDEOGRAPHER: The time is 6:56.  
7 We are off the record.

8 (Deposition concluded at 6:56 p.m.)

9 THE STENOGRAPHER: Did you need a  
10 rough draft?

11 MR. SYLVESTER: Yes, please.

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## ERRATA SHEET

Case Name:

Deposition Date:

Deponent:

Pg.	No.	Now Reads	Should Read	Reason
6	_____	_____	_____	_____
7	_____	_____	_____	_____
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19	_____	_____	_____	_____

SUBSCRIBED AND SWORN BEFORE ME

THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2022.

\_\_\_\_\_

(Notary Public) MY COMMISSION EXPIRES: \_\_\_\_\_

\_\_\_\_\_  
Signature of Deponent

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## SIGNATURE PAGE

I, [REDACTED], have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted on the correction page.

[REDACTED]

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE §  
COMMISSION, §  
CIVIL ACTION §  
PLAINTIFF, § NO. 20-CV-1(AT) (SN)  
§  
AGAINST §  
§  
RIPPLE LABS, INC., §  
BRADLEY GARLINGHOUSE, §  
AND CHRISTIAN A. §  
LARSEN, §  
§  
DEFENDANTS. §

REPORTER'S CERTIFICATION  
DEPOSITION OF [REDACTED]  
TAKEN FEBRUARY 16, 2022

I, TAMARA CHAPMAN, Certified Shorthand Reporter in  
and for the State of Texas, hereby certify to the  
following:

That the witness, [REDACTED], was duly sworn by  
the officer and that the transcript of the oral  
deposition is a true record of the testimony given  
by the witness;

That the original deposition was delivered to  
ANDREW CERESNEY;

That a copy of this certificate was served on all  
parties and/or the witness shown herein on

\_\_\_\_\_.

I further certify that pursuant to FRCP No.

1 30(f)(i) that the signature of the deponent:

2 was requested by the deponent or a party before  
3 the completion of the deposition and that the  
4 signature is to be returned within 30 days from date  
5 of receipt of the transcript. If returned, the  
6 attached Changes and Signature Page contains any  
7 changes and the reasons therefor;

8 X was not requested by the deponent or a party  
9 before the completion of the deposition.

10 I further certify that I am neither counsel for,  
11 related to, nor employed by any of the parties in  
12 the action in which this proceeding was taken, and  
13 further that I am not financially or otherwise  
14 interested in the outcome of the action.

15 Certified to by me this 17th day of February, 2022.

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Tamara Chapman, CSR, RPR-CRR  
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